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Ambalal Sarabhai Enterprises Limited

**34th Annual Report
2011-12**

Board of Directors

Mr. Kartikeya V. Sarabhai
Chairman

Mr. B.V. Suryakumar

Mr. Govind Das Zalani

Mr. Anil H. Parekh
Whole-time Director

Mr. B.S. Bohra

Mr. K. Mohandas

Mr. Ashwin P. Hathi

Mr. Ketan Adhvaryu
Company Secretary

Auditors

M/s. Sorab S. Engineer & Co.
Chartered Accountants
Ismail Building
381, Dr. D. Naoroji Road
Fort, Mumbai-400 001

Registered Office :
Sarabhai Campus
Gorwa Road,
Vadodara-390 023

INDEX

Notice	02
Directors' Report and its Annexure	06
Auditor's Report	13
Balance Sheet	16
Profit and Loss Account	17
Notes to the Accounts	18
Cash Flow Statement	32
Statement regarding Subsidiaries Section 212	33
Consolidated Financial Statements	35
Balance Sheet abstract and Company's General Business Profile	47

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Notice

Notice is hereby given that the Thirty-fourth Annual General Meeting of the Company will be held on Thursday, the 27th September 2012 at 11.00 A.M. at Prof. C.C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda, Vadodara-390002 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Profit and Loss Account for the year ended 31st March 2012 and the Balance Sheet as at that date, together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B.S. Bohra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kartikeya V. Sarabhai, who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of Auditors:

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration plus reimbursement of service tax, out of pocket expenses, travelling and other expenses, as may be mutually agreed upon between the Board of Directors and the Auditors in connection with the work of audit to be carried out by them."

SPECIAL BUSINESS:

5. Re-appointment of Mr. Kartikeya V. Sarabhai as Whole-Time Director

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 198, 269, 309, and 310 read with Schedule XIII and all other applicable provisions, if any, of the

Companies Act, 1956 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the re-appointment of Mr. Kartikeya V. Sarabhai as "Whole-Time Director" for a period of 3 years with effect from 1st April, 2012 on the terms and conditions as stated in Explanatory Statement."

By Order of the Board of Directors,
Ketan Adhvaryu
Company Secretary

Date: 13.8.2012

Place: Ahmedabad

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.9.2012 to 27.9.2012 (both days inclusive).
4. All the documents referred to in the Notice and Explanatory Statement would be open for inspection at the Registered Office of the Company during business hours on all working days till the date of meeting.
5. Members who hold equity shares in dematerialized form are requested to bring their DPID and client ID numbers for easy identification of attendance at the meeting.
6. Pursuant to SEBI Circular, it is mandatory to quote PAN for transfer / transmission of shares in physical form. Therefore, the transferee(s) / legal heirs are requested to furnish copy of their PAN to the Registrar and Share Transfer Agents – MCS Limited.
7. The information relating to appointment / re-appointment of Directors, as required to be given pursuant to Clause 49 (IV) (E) and 49 (IV) (G) (1) of the Listing Agreement is given in Annexure A to the Explanatory Statement:
8. In accordance with MCA circular No.18/2011 dated 29-04-2011, members who desire to receive their copy of Annual report through email, may register their email address to the Company Secretary at

ketanadhvayu@sarabhai.co.in or to our Registrar
at mcsltdbaroda@yahoo.com.

EXPLANATORY STATEMENT

Item 5

Mr. Kartikeya V. Sarabhai is M.A. (Cantab), did Post Graduate studies at MIT, USA. He joined the Board of Directors of the Company since 1992 and has been appointed as the Chairman of the Company since 1995. He has been very actively associated with the operations of the Company and monitoring various areas of operations and management on day to day basis.

The Remuneration & Compensation Committee of Directors held on 15.2.2012 and The Board of Directors at their Meeting held on 30.5.2012 had subject to requisite approval/s, re-appointed him on following terms and conditions.

1. Period : From 1st April 2012 to 31st March 2015.
2. a) Basic Salary : Rs.62,500/- p.m. in the grade of 62,500 - 2,500 - 72,500/-
 - b) House rent allowance @ 40% of (a) : Rs.25,000/- p.m.
 - c) Perquisites : In addition to the above, the following perquisites / allowances shall be allowed to the Whole time Director.
 - i) Expenditure incurred on gas, electricity, water, furnishing. : To be valued as per I.T. Rules and in absence of such rules, to be valued at actual cost.
 - ii) Medical benefits for self and family. : Reimbursement of expenses actually incurred for self, wife and dependent children. However, such reimbursement as it would exceed maximum limit laid down under I.T. Rules, would be subject to tax, from time to time.
 - iii) Leave Travel Concession for self and family. : Only travel fare, once a year to & fro for any place in India.
 - iv) Additional allowance. : In the form of conveyance / petrol / miscellaneous expenses.
 - v) Telephone facilities : Personal long distance call to be charged to Whole-Time

at Residence Director.

- v) Club fees and personal accident insurance, as per Company's rules.

Mr. Sarabhai shall also be entitled for the following benefits. However the same will not be taken into account while computing Managerial Remuneration.

Other Benefits:

- A) Reimbursements of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
 - B) Leave on full pay, as per rules of the Company, but not exceeding one month's leave for every eleven months of service.
 - C) Company's contribution towards provident fund and superannuation fund as per rules of the Company.
 - D) Gratuity would become payable at the rate not exceeding half a month's salary for each completed years of service as applicable under provisions of Payment of Gratuity Act.
 - E) Encashment of leave in respect of leave accumulated but not availed of at the end of the tenure, would be permissible.
- 3) Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the basic salary of Rs.62,500/- p.m. in the grade of 62,500 - 2,500 - 72,500/-.
 - 4) In absence of OR in-adequacy of profits in any financial year, he will be entitled to said salary, perquisites etc. as mentioned above as minimum remuneration.
 - 5) Other terms and conditions:
 - i) In the capacity of a Whole-time Director, he shall not be paid any sitting fees to attend the meeting of the Board and/or Committee thereof.
 - ii) In the event of cessation of his respective office during any financial year, the aforesaid remuneration will be paid on a pro-rata basis.
 - iii) He shall not so long as he functions as a Whole-time Director of the Company become interested or otherwise concerned directly or through wife/or minor children in any selling agency of the company further without the prior approval of the Central Government.
 - iv) The Company shall deduct all taxes from the remuneration, as per applicable law, from time to time.
 - v) Without the approval of the Board of Directors of the Company, neither he nor any of his relatives nor any firm or private company in which he or any of his relatives are a Director, member or

partner shall enter into any contract with the Company for sale, purchase or supply of any goods, materials or services for whatever value. He shall also report to the Board the names of all private companies, firms or proprietorship in which he or any of his relatives as defined in the Companies Act, have any interest as Director, member, partner or proprietor. *

- vi) This appointment is terminable by notice on either side or by payment of three months salary in lieu thereof.
- 6) The Board of Directors / Remuneration and Compensation Committee of Directors of the Company would be empowered to modify the terms of remuneration as may be required by the Central Government / Shareholders, upon their respective permission / approval/s and also to increase the above remuneration on an annual basis during the tenure and such an increase would be within the limit of Schedule XIII of the Companies Act, 1956 (or any amendment or reenactment made thereof from time to time) as applicable to the Company and would be subject to other compliance/s, if any, as might be then required.

- 7) Terms of the appointment of Whole-Time Director can be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing terms by the Board of Directors, Mr. Sarabhai shall cease to be Whole-Time Director on expiration of the present term.

The proposed resolution and explanatory statement may be treated as an abstract of the terms and conditions of the re-appointment of Mr. Sarabhai as Whole Time Director & Chairman in terms of section 302 of the Companies, Act 1956

Mr. Sarabhai may be considered to be concerned or interested in proposed resolution.

None of the other Directors of the Company may be deemed to be concerned or interested in the said resolution.

Your Directors recommend the resolution as set out at Item No. 5 of the Notice for your approval and acceptance.

By Order of the Board of Directors,
Ketan Adhvaryu
Company Secretary

Date: 13.8.2012

Place: Ahmedabad

The information relating to Appointment / Reappointment of Directors, as required to be given as per Corporate Governance Code					
Name	Date of Birth	Qualifications	Experience / Expertise	Shareholding in the Company	Other Directorship in Public Limited Company
Kartikaya V. Sarabhai	27.11.1947	M.A.(Cantab) Postgraduate Studies at MIT U.S.A.	Mr. Kartikeya Sarabhai has a long association with the Sarabhai Business and with the Pharmaceutical sector. He has been a member of the Board of the Company since 1992 and was appointed Chairman in 1995. He is also involved in a number of policies initiated by the Government of India particularly in the environmental and educational fields.	12250	- Paryavaran EduTech
Mr. B.S. Bohra	1.1.1940	--	Finance & General Administration.	--	1 Julie (India) Ltd. 2 Chiranjilaji Finance Ltd. 3 B.T. Syndicate Ltd.

Directors' Report

To

The Shareholders,

The Directors hereby present their 34th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2012.

	(Rs. lakh)	
	2011-12	2010-2011
Turnover (Net)	2128	3906
Other Income	610	749
Total Income	2739	4655
Financial Cost	844	1165
Depreciation	140	154
Loss before Extra Ordinary Income	(1784)	(2440)
An Extraordinary Income net of expenditure	1119	2383
Net Profit/(Loss) before taxation	(665)	(57)
Net Profit/(Loss)	(665)	(108)

An extra ordinary income mainly represents surplus on sale of a portion of factory land occupied by factory building standing thereon.

Your Directors regret their inability to recommend payment of any dividend in view of loss during the year.

Operations:

Pharma Formulations:

The Company consolidated its Oncology division and has planned to launch a new Infertility division as part of its specialized formulations. It continues to manufacture formulation under license and market these through established companies in the market. The Company also manufactures and sells a wide range of Formulation through its distributors and through Generic channels.

Asence Inc., a wholly-owned subsidiary of the Company, incorporated in US specializes in the supply of quality pharmaceutical preparations (Finished Dosage Forms and Active Pharmaceutical Ingredients) to international markets. Asence Inc., through the company, pursues a multi-layered growth strategy combining internal product development, strategic alliances and collaboration with cGMP manufacturing partners, acquisitions of products and leverage of infrastructure in India and the US.

Effervescent Tablets

The Company through the establishment of Joint Venture, Vovantis Laboratories Private Limited (VLPL) has established a state of the art facility for manufacturing Effervescent tablets. Towards the end of the year the Company has successfully established a range of Pharma Products including Paracetamol, Vitamin C, Enzyme and other Effervescent Tablets. These products have been accepted in the market and therefore VLPL could set up domestic / foreign marketing arrangements with various Companies for new products. VLPL has fully utilized all its potentials in developing work of new products and therefore in addition to Denture Products, VLPL could enhance its production capacity. VLPL has also installed second production and packing line. Moreover, VLPL has initiated to install tube and sachet packing facilities which would lead VLPL to compete with international brands. Since this has happened at the eve of the current operational year, the positive effect would be reflected in the result of VLPL in the next financial year.

Active Pharmaceutical Ingredient plant:

The Bulk Drugs plant of **Synbiotics Limited** (Synbiotics), a Wholly-owned subsidiary of the Company, at Luna has already started its production activity. The turnover of Synbiotics has increased by about 42% as compared to previous year.

The manufacturing facilities of Synbiotics got recognition from overseas authorities and also received approval from PMDA (Japan), WHO-GMP, India, EU, GMP and precious USFDA. Production activity of Synbiotics is now stabilized.

Other Bulk Drugs products were manufactured on loan license arrangement by **Asence Pharma Pvt. Ltd.**, a Wholly-owned subsidiary of the company.

Systronics (India) Limited

Systronics (India) Ltd. (SIL), a wholly owned subsidiary of the Company, have two divisions viz. Systronics as well as Telerad. Sales performance of both the divisions have improved to a satisfactory level and therefore during the year, there was overall increase in revenue from operations of SIL. The turnover of SIL for the year under report increase to Rs. 4768.86 Lakh.

Corporate Governance:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are made as a part of the Annual Report.

Subsidiaries:

A statement pursuant to Section 212 of the Companies Act, 1956 in respect of Subsidiary companies is appended to the balance sheet. The report and the accounts of the Company may be treated as abridged accounts as contemplated under Section 219 of the Companies Act, 1956. Those shareholders, who are desirous of receiving full reports and accounts including the report and the accounts of the Subsidiaries of the Company, will be provided the same on receipt of written request / requisition in this regard. This will help to save considerable cost in connection with printing and mailing of the report and accounts in respect of the various subsidiaries of the company. The shareholders who desire to get their Annual Reports through email may register their email address with the Company. It will ensure that all shareholders get copy of Annual accounts provided a fairly large number of shareholders would opt for email system.

Consolidated Financial Statement:

In compliance of the Accounting Standard AS-21 on Consolidated Financial Statements, the Consolidated Financial Statements, which form part of the Annual Report and Accounts, are attached herewith.

Directorate:

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. B.S. Bohra and Mr. Kartikeya V. Sarabhai retire by rotation and being eligible offers themselves for re-appointment.

During the year under report, Dr. V.C. Shah and Dr. O.D. Gulati ceased to be Directors due to death on 14.12.2011 and 23.2.2012 respectively. Your Directors have taken note of the contribution made by them during their association with the Company.

Fixed Deposits:

The Company has not accepted any fixed deposit during the year.

Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo:

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo required to be given by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure to this Report in the prescribed format.

Particulars of Employees:

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees Rules 1975) is not given since there was no

employee drawing remuneration as prescribed under the said Section.

Directors' Responsibility Statement.

As required under Section 217(2AA) of the Companies Act, 1956, we hereby state:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the Company as at 31st March, 2012 and its loss for the year ended on that date.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.

Insurance:

Building, Plant and machinery and stocks, have been adequately insured. The Company carries a risk on certain assets like goods in transit in respect of which loss resulting from non-insurance is small. There was a fairly large drop in production and sales.

Auditors:

M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, retire in the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

Acknowledgement:

Your Directors would like to take this opportunity to express their deep sense of gratitude to the Banks, Government Authorities, Customers and Shareholders for their continuous guidance and support. Further, they would also like to place on record their sincere appreciation for the dedication and hard work put in by one and all members of Sarabhai Pariwar.

For and on behalf of the Board

Kartikeya V. Sarabhai

Chairman

Date : 13.8.2012

Place : Ahmedabad

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of additional particulars as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' report for the year ended 31st March 2012.

(A) Conservation of Energy &**(B) Technology absorption.**

During the year under report, there was no production activities carried out in the factory of the Company and therefore, details are not required to be given.

(C) Foreign exchange earnings and outgo:

- i) The company is making all efforts to boost up the exports of its various products. In this direction, the Company is endeavoring to improve the quality of various products for export market. Company is also forging ties with various foreign parties to strengthen the exports.
- ii) Total foreign exchange earned and used

	Rs. Lakh
Foreign exchange earned	--
Foreign exchange used	203.00

Management Discussions and Analysis Report**a) Industry structures and developments:****About Pharmaceuticals....**

The pharmaceutical industry in India is among the most highly organized sectors. This industry plays an important role in promoting and sustaining development in the field of global medicine. Due to the presence of low cost manufacturing facilities, educated and skilled manpower and cheap labor force among others, the industry is set to scale new heights in the fields of production, development, manufacturing and research. In 2010, the domestic pharma market in India was estimated to be about US\$ 13 billion and this is likely to increase at a compound annual growth rate and is expected to grow at 9.5 per cent till the year 2015.

Industry Trends:

- The pharma industry generally grows at about 1.5-1.6 times the Gross Domestic Product growth.
- Globally, India ranks third in terms of manufacturing pharma products by volume.
- The Indian pharmaceutical industry is expected to grow at a rate of 9.9 % till 2010 and after that 9.5 % till 2015.
- In 2009-10, India exported drugs worth US\$ 8.7 billion to the US and Europe followed by Central and Eastern Europe, Africa and Latin America
- The retail pharmaceutical market in India is expected to cross US\$ 12-13 billion by 2012

Risks and Concerns:

Every industry has its own sets of advantages and disadvantages under which they have to work; the pharmaceutical industry is no exception to this. Some of the challenges the industry faces are:

- Regulatory obstacles
- Lack of proper infrastructure
- Lack of qualified professionals
- Expensive research equipments
- Lack of academic collaboration
- Underdeveloped molecular discovery program
- Divide between the industry and academia.

Government Initiatives:

The government of India has undertaken several including policy initiatives and tax breaks for the growth of the pharmaceutical business in India. Some of the measures adopted are:

- Pharmaceutical units are eligible for weighted tax

reduction at 150% for the research and development expenditure.

- Two new schemes namely, New Millennium Indian Technology Leadership Initiative and the Drugs and Pharmaceuticals Research Program have been launched by the Government.
- The Government is contemplating the creation of SRV or special purpose vehicles with an insurance cover to be used for funding new drug research
- The Department of Pharmaceuticals is mulling the creation of drug research facilities which can be used by private companies for research work on rent.

Pharma Export:

In the recent years, despite the slowdown witnessed in the global economy, exports from the pharmaceutical industry in India have shown good buoyancy in growth. Export has become an important driving force for growth in this industry with more than 50 % revenue coming from the overseas markets. For the financial year 2008-09 the export of drugs was estimated to be \$8.25 billion as per the Pharmaceutical Export Council of India, which is an organization, set up by the Government of India. A survey undertaken by FICCI, the oldest industry chamber in India has indicated 16% growth in the export of India's pharmaceutical growth during 2009-2010.

Future Scenario:

With several companies slated to make investments in India, the future scenario of the pharmaceutical industry looks pretty promising. The country's pharmaceutical industry has tremendous potential of growth considering all the projects that are in the pipeline. Some of the future initiatives are:

- According to a study by FICCI-Ernst & Young India will open a probable US\$ 8 billion market for MNCs selling expensive drugs by 2015.
- The study also says that the domestic pharma market is likely to reach US\$ 20 billion by 2015.
- The Ministry of Commerce estimates that US\$ 6.31 billion will be invested in the domestic pharmaceutical sector.
- Public spending on healthcare is likely to rise from 7 per cent of GDP in 2007 to 13 per cent of GDP by 2015.
- Due to the low cost of R&D, the Indian pharmaceutical off-shoring industry is designated to turn out to be a US\$ 2.5 billion opportunity by 2012.

Performance of your Company:

Your Company operates in an area where a large market exists and offers ample opportunities for growth. As per the statistic available, Indian pharmaceutical export will have potential to increase around 9% by the end of financial year 2013 to attain its total export volume of about 9 billion US \$. In order to sustain the future growth, the Indian companies must achieve the right product-mix. The Indian Pharmaceutical industry has witnessed some regulatory and much awaited patent law changes. Due to expansion of patent law covering products into new patent system, MNCs have shown much interest to acquire skill and infrastructure for their research and manufacturing activities. The Indian companies had to make extra efforts to match with the international standard of pharmacy.

During the year 2011-12, the Indian Pharmaceutical Industry has significantly exported to regulated markets of US and Europe in Generic Drugs Markets, wherein your Company has also exported substantially its products through Asence Pharma Private Limited, a wholly-owned subsidiary of the Company.

Segment-wise Performance:

Segment-wise performance has been enumerated in the Directors' Report.

Internal control systems and their adequacy:

The internal control systems are continuously being fine-tuned in line with the changing requirements in the industry.

With regular review of the systems by the Audit Committee of the Board, the internal control within the organization continues to be further strengthened.

Financial performance:

Financial performance of the Company has been indicated in the Directors' Report.

Human resources/Industrial relations:

The focus of the management is on the organizational development such as imbibing new entrepreneurship, team work relating to commitment to achieve targeted growth.

The relations between the management and workmen continue to remain cordial.

As on date of the report, total employees strength of the Company is 547.

ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

I. Corporate Governance Philosophy:

Good Corporate Governance calls for transparency and accountability of a company's management. Your company remains committed to these basic tenets of good governance by full disclosure of its policies and operational practices as will be evident below:-

a) Composition of the Board:

The Company's Board at present has 7 Directors comprising of 2 Executive Directors and 5 Non-executive Directors. Names and categories of the Directors on the Board and the numbers of Directorships and the Committee position held by them in other public limited companies are given below:

Name of Director	Category / Designation	No. of Directorships held in other Public Ltd. companies	No. of Committee Memberships in other companies
Kartikeya V. Sarabhai	Chairman and Whole-time Director	1	-
B.V. Suryakumar	Non-Executive	2	2
G.D. Zalani	Non-Executive/ Independent	-	-
B.S. Bohra	Non-Executive/ Independent	3	-
K. Mohandas	Non-Executive	1	-
A.H. Parekh	Whole-Time Director & President (Formulations)	-	-
Ashwin P. Hathi	Non-Executive/ Independent	-	-

b) Board Meetings:

The Board met 6 times on the following dates during the financial year 2011-2012 and the maximum time-gap

between the two meetings did not exceed four months.

6.5.2011	24.9.2011
31.5.2011	14.11.2011
24.8.2011	15.2.2012

The Agenda papers were circulated to the Directors well in advance before the meetings with sufficient information. The details of attendance of each Directors at the Board Meeting held during the financial year 2011-2012 and at the last Annual General Meeting held on 24.9.2011, together with the sitting fees paid to each Director are given below:

Name of Director	No. of Meetings held during the tenure	No. of Meetings attended	Sitting fees paid for Board Meetings & other Committee Meetings (Rs.)	Attendance at the last AGM	Date of Appointment
Kartikeya V. Sarabhai	6	6	Nil	Yes	30.07.1992
Dr. V.C. Shah(*)	6	3	24,000	-	30.07.1998
B.V. Suryakumar	6	5	30,000	-	18.05.2005
G.D. Zalani	6	6	42,000	Yes	01.04.1996
Dr. O.D. Gulati(*)	6	5	33,000	Yes	26.06.1991
B.S. Bohra	6	5	15,000	Yes	20.04.2007
K. Mohandas	6	3	Nil	-	19.07.2005
A.H. Parekh	6	6	Nil	Yes	03.01.2006
Ashwin P. Hathi	6	5	15,000	Yes	26.06.2010

(*) Dr.VC Shah & Dr. OD Gulati ceased to be Directors due to death on 14.12.2011 and 23.2.2012 respectively

III Committees of Directors :

The involvement of non-executive Directors in providing guidance on policy matters to the operating management is formalized through constitution of committees of the Board. These committees provide periodical and regular guidance, have exchange of information and ideas between the Non-Executive Directors and the operating management.

The Board has accordingly as required under the Code of Corporate Governance, constituted following Committees:

A) Audit Committee:

The Company has complied with requirements of Clause 49(ii)(D) with regard to composition of the Audit Committee. The details of attendance of Audit Committee Meetings held during the financial year

2011-2012 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Dr. V.C. Shah	Chairman	5	2
Dr. O.D. Gulati	Member	5	4
B.V. Suryakumar	Member	5	4
G. D. Zalani	Member	5	5

The broad terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement and under the Companies Act.

B) Shareholders / Investors' Grievance Committee:

The details of attendance of Shareholders / Investors' Grievance Committee Meetings held during the financial year 2011-2012 are as under:

Name of Director	Status	No. of Meeting held	No. of Meeting attended
Dr.V.C. Shah	Chairman	1	1
Kartikaya V. Sarabhai	Member	1	1

C) Remuneration & Compensation Committee :

The details of attendance of Remuneration & Compensation Committee Meetings held during the financial year 2011-2012 are as under:

Name of Director	Status	No. of Meeting held	No. of Meeting attended
Dr. V.C. Shah	Chairman	3	2
Dr. O.D. Gulati	Member	3	2
G.D. Zalani	Member	3	3
BV Suryakumar	Member	3	1

IV) Details of Terms of Contracts of Whole time Directors :

- The Contract of Mr. Kartikaya V. Sarabhai, Whole-Time Director and Chairman was for a period of 3 years w. e. f. 1.4.2009 and the terms of remuneration were approved by the shareholders at the Annual General Meeting held on 30.11.2009.

His tenure was expired on 31.3.2012. The Company has renewed his terms for another 3 years w.e.f. 1.4.2012. A necessary resolution in this respect is incorporated in this notice of Annual General Meeting for approval of the shareholders.

- The Contract of Mr. A.H. Parekh, Whole-Time Director is for a period of 3 years w. e. f. 26.12.2011 and the terms of remuneration were approved by the shareholders at the Annual General Meeting held on 24.9.2011.

V) General Body Meetings:

The last three Annual General Meetings of the Company were held at Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda Vadodara on the following dates and time.

Year	Date	Time	Location
2008-09	31st AGM 30th November, 2009	11.00 A.M.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2009-10	32nd AGM 31st December, 2010 which was adjourned on 28.3.2011	11.00 A.M. & 10.00 A.M.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2010-11	33rd AGM 24th September, 2011	10.00 A.M.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda

VI) Disclosures:

- As required under the Companies Act, the Directors disclose the name of the Companies / parties in which they are interested and accordingly the Register of Contracts Under Section 301 of the Companies Act, 1956 is tabled and signed at the Board Meeting/s.
- Transactions with the "related parties" are disclosed in detail in note forming part of Accounts' annexed to the financial statements for the year ended 31st March 2012. Adequate care was taken by the Board to ensure that the potential conflict of interest did not harm the interest of the Company.
- The Company has tried to comply with the provisions of Stock Exchange / SEBI / Statutory Authorities on all matters related to Capital Markets. There was no non-compliance during the year 2011-12 by the Company on any matter related to Capital Markets.
- Means of Communications:
 - Quarterly/Half yearly Financial Result of the Company are being submitted to the Bombay Stock Exchange Limited and published in Loksatta (Gujarati Language) and the Business Standard (English Language).
 - Management Discussion & Analysis Report is a part of this Directors' Report to the shareholders.

VII) General Shareholder Information:

- 1 Registered Office Sarabhai Campus Gorwa Road, Vadodara-390 023
- 2 Venue, Day & Date of 34th Annual General Meeting. Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda, Vadodara-390002. Thursday, 27.09.2012 - 11.00 a.m.
- 3 Financial Calendar From 1st April 2011 to 31st March 2012
- 4 Book Closure dates From 24.09.2012 to 27.09.2012 (Both days inclusive)
- 5 Dividend Payment Date Not applicable
- 6 Listing on stock exchange: BSE Ltd. Stock Code No. - 500009

VIII) Stock Price Data:

MONTH	HIGH (BSE) (Rs.)	LOW (BSE) (Rs.)	BSE SENSEX	
			High	Low
April-2011	8.31	6.31	19,811.74	18,976.19
May-2011	8.49	6.35	19,253.87	17,785.13
June-2011	8.84	6.61	18,873.39	17,314.38
July-2011	8.64	7.05	19,131.70	18,131.86
August-2011	7.94	4.96	18,440.07	15,765.53
September-2011	6.47	5.54	17,211.80	15,801.01
October-2011	5.95	4.97	17,908.13	15,745.43
November-2011	5.65	3.88	17,702.26	15,478.69
December-2011	4.46	3.62	17,003.71	15,135.86
January-2012	5.19	3.76	17,258.70	15,358.02
February-2012	5.3	4.37	18,523.78	17,061.55
March-2012	5.0	3.85	18,040.69	16,920.61

IX) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialization form, w.e.f. 28.08.2000, as per SEBI's directive. The Company has already appointed MCS Ltd., Vadodara as its RTA for dematerialization purposes and has also set up the requisite facilities for dematerialization of shares with National Securities Depositories Ltd. (NSDL) and Central Depository Securities (India) Ltd. (CDSL).

For physical Share Transfer, if the share transfer documents are in order, share transfers are registered upon approval by the Share Transfer Committee of Directors. the meetings of which

Committee of Directors are generally held at regular intervals of about 15 / 20 days. Thereafter, duly transferred share certificates are dispatched to the respective shareholders.

Total shares transferred during financial year 2011-12	40276
Total Transfer Deeds received and processed during financial year 2011-12	300
Total No. of shares(s) Demated as on 31st March 2012	61579560
% of total Equity shares in Demat as on 31st March 2012	80.35%

X) Distribution of Shareholding - as on 31st March, 2012:

Category	No. of Shares	%
Promoters	23318951	30.43
FII/NRI	313775	0.41
Public Financial		
Institutions & Nationalized Banks	358912	0.47
Mutual Funds/UTI	-	-
Bodies Corporate	19786059	25.82
Indian Public	32855599	42.87
Total	76633296	100.00

XI) Distribution of Shareholding as on 31st March, 2012 (both in physical & electronic form):

No. of Equity Shares held	No. of Share holders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	161301	93.3752	11957601	15.6037
501 to 1000	7636	4.4204	5834060	7.6130
1001 to 2000	2374	1.3743	3507695	4.5772
2001 to 3000	488	0.2825	1246778	1.6269
3001 to 4000	208	0.1204	744794	0.9719
4001 to 5000	210	0.1216	991896	1.2943
5001 to 10000	259	0.1499	1942960	2.5354
Over 10000	269	0.1557	50407510	57.9626
Total.....	172745	100.0000	76633294	100.0000

XII) Dematerialization of Shares:

During the year under review, 172618 (0.22%) shares were dematerialized in National Securities Depository Ltd. and Central Depository Services (India) Ltd.

ISIN No. : F432A01017

XIII) Plant Locations:

Village Ranoli, Dist. Vadodara.

XIV) Address for Correspondence:

Shareholders can correspond either at the office of its Common Agency viz. MCS limited, Neelam Apartment, 88 Sampatrao Colony, Alkapuri, Vadodara-390007 or at the Company's Registered Office, situated at Sarabhai Campus, Gorwa Road, Vadodara-390 023.

Queries of shareholders shall be addressed to Mr. Ketan Adhvaryu, Company Secretary - Email - ketanadhvaryu@sarabhai.co.in and queries relating to the financial statements of the Company to be addressed to Mr. Deven V. Shah, CFO Email - devenshah@sarabhai.co.in.

The Company Secretary is designated by the Company as 'Compliance Officer'.

AUDITORS' CERTIFICATE

To the Members of

Ambalal Sarabhai enterprises Limited

Vadodara

We have examined the compliance of conditions of Corporate Governance by Ambalal Sarabhai Enterprises Limited, for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the

management has conducted the affairs of the Company.

For and on behalf of

For Sorab S. Engineer & Co.
Firm Registration No. 110417 W
Chartered Accountants

C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Date: 13-08-2012
Place: Ahmedabad

AUDITORS' REPORT

To the Members of Ambalal Sarabhai Enterprises Limited

1. We have audited the attached Balance Sheet of Ambalal Sarabhai Enterprises Limited as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this

report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except as stated in para (f) below;
- (e) on the basis of written representations received from the Directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, subject to:
- i) Adjustment in 1992-93 of debit balance in Profit and Loss Account amounting to Rs. 2519.31 lakh against revaluation reserve which was not in accordance with the accounting practice recommended by the Institute of Chartered Accountants of India;
 - ii) The Company has not considered impairment of Goodwill and other Assets as per Accounting Standard AS - 28 "Impairment of Assets" Amount unascertained;

Due to uncertainties regarding the amounts in respect of the above point we are unable to opine on the effect of the same on the loss for the year.

give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- b) in the case of Statement of Profit and Loss, of Loss for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417 W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Date: 30-05-2012
Place: Ahmedabad

ANNEXURE TO THE AUDITORS' REPORT

Re: **Ambalal Sarabhai Enterprises Limited**

Referred to in Paragraph 3 of our Report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except Furniture.
 - (b) All the major assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
 - (c) In our opinion and as per the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the Company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. No material discrepancy noticed on verification between the physical stocks and the book records.
- (iii) The Company has not granted/taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii, b), to (iii, g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) On the basis of the audit procedures performed by us, and according to the information and explanations given to us, we are of the opinion that, the transactions in which directors were interested as contemplated under section 297 and section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under section 301 of the said Act, have been so entered;
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or

arrangements have been made at prices which are reasonable having regard to prevailing market price at the relevant time;

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provision of the Act and the rules framed there under. No order has been passed by the Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The Company does not have formal internal auditors.
- (viii) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however made a detailed examination of these records with a view to determine whether they are complete.
- (viii) (a) The Company is generally not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, and Sales Tax. The extent of arrears of such outstanding statutory dues as at 31.03.2012 for a period of more than six months from the date they became payable are as under:

Particulars	Rs. in Lakh
Income Tax	10.91
Sales Tax	194.87
ESIC	49.30
PF	70.78
Service Tax	1.62

- (b) Following disputed statutory dues have not been deposited:

Nature of the Statute	Nature of the dues	Rs. in Lakh	Period to which the amount relates	Forum where matter is pending
Sales Tax Act	Sales Tax	18.90	1985-1986, 1989-1990, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006	Appellate Tribunal, Commissioner of Sales tax
Central Excise Act	Excise Duty	54.36	1985-1986, 1986-1987, 1987-1988,	CESTAT

		1988-1989	
		8.62	2003-2004
			Jt. DGFT
Income Tax Act	Income Tax	172.42	1978-1979, 1980-1981, 1981-1982,
		0.75	2002-2003
		3341.25	2008-2009
			ITAT
			CIT (A)

- (x) Accumulated losses at the end of the financial year are not more than fifty percent of Company's net worth. Company has incurred cash losses in the financial year under report. The Company has incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial Institutions are not prejudicial to the interest of the Company.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) According to the information and explanations given to us, funds raised on short term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us, the Company has not issued any Secured Debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud, on or by the Company has been noticed or reported during the year.

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417 W
Chartered Accountants

CA. Chokshi Shreyas B.
Partner

Date :30-05-2012
Place : Ahmedabad

Membership No.100892

Balance Sheet

	Note	As at 31.03.12 Rs. Lakh	As at 31.03.11 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(2,616.03)	(1,930.07)
Non-current liabilities			
Long Term Borrowings	3	-	-
Long Term Provisions	4	761.09	651.74
Current liabilities			
Short Term Borrowings	5	1,688.11	1,322.97
Trade Payables	6	2,428.87	3,243.17
Other Current Liabilities	7	5,687.69	5,532.08
Short Term Provisions	4	277.99	1,328.74
Total		15,891.05	17,811.96
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	8	3,725.52	3,944.09
Intangible Assets	9	2,277.62	2,277.62
Capital Work-in-progress		10.09	43.47
Non-current Investments	10	5,849.24	5,693.67
Long Term Loans and Advances	11	55.72	56.84
Other Non-current Assets	12	625.08	622.29
Current assets			
Inventories	13	161.80	88.02
Trade Receivables	14	359.58	1,526.82
Cash and Bank Balances	15	64.69	112.48
Short Term Loans and Advances	11	2,761.71	3,446.66
Other Current Assets	12	-	-
Total		15,891.05	17,811.96

Significant Accounting Policies and Notes to Accounts

27

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 30-05-2012

Place : Vadodara

Kartikaya V. Sarabhai

Chairman

Ashwin P. Hathi

Director

Ketan Adhvaryu

Company Secretary

Date : 30-05-2012

Place : Vadodara

Statement of Profit & Loss

	Note	Year Ended 31st March 12 Rs. Lakh	Year Ended 31st March 11 Rs. Lakh
Revenue from operations (Gross)	16	2,214.94	3,990.25
Less : Excise Duty		86.50	83.90
Revenue from operations (Net)		2,128.44	3,906.35
Other Income	17	610.40	748.89
Total Revenue		2,738.84	4,655.24
Expenses:			
Cost of materials consumed	18	371.55	418.45
Purchases of Stock in Trade	19	1,412.07	2,515.94
Changes in inventories, of finished goods, work-in-progress and stock-in-trade	20	(52.03)	(33.37)
Employee benefits expense	21	1,256.59	1,616.47
Finance costs	22	843.64	1,165.09
Depreciation and amortization expense	23	139.64	154.34
Other expenses	24	550.94	997.00
Total Expenses		4,522.40	6,833.92
Profit/(Loss) before exceptional and extraordinary items and tax		(1,783.56)	(2,178.68)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(1,783.56)	(2,178.68)
Extraordinary Items	25	1,118.97	2,383.49
Profit/(Loss) before Tax		(664.59)	204.81
Tax expense:			
Current Tax		-	50.00
Profit/(Loss) after Tax		(664.59)	154.81
Short provision for Taxation		-	262.32
Profit/(Loss) for the year		(664.59)	(107.51)
Earnings per equity share (Face Value per Share Rs. 10/- (Previous year Rs. 10/-))	26		
Before Extraordinary Items			
Basic		(2.33)	(3.25)
Diluted		(2.33)	(3.25)
After Extraordinary Items			
Basic		(0.87)	(0.14)
Diluted		(0.87)	(0.14)

Significant Accounting Policies and Notes to Accounts 27

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 30-05-2012

Place : Vadodara

Kartikeya V. Sarabhai

Chairman

Ashwin P. Hathi

Director

Ketan Adhvaryu

Company Secretary

Date : 30-05-2012

Place : Vadodara

SHARE CAPITAL	NOTE 1	
	As at March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
Authorised		
Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share		
	<u>9,500.00</u>	<u>9,500.00</u>
Issued		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share		
	<u>7,663.33</u>	<u>7,663.33</u>
Subscribed and fully paid up		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share fully paid up		
	<u>7,663.33</u>	<u>7,663.33</u>
Total	<u>7,663.33</u>	<u>7,663.33</u>

(a) Reconciliation of Number of Equity Shares

	As at		As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	No. of Share	Rs. Lakh	No. of Share	Rs. Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296	7,663.33
Balance at the end of the year	<u>76,633,296</u>	<u>7,663.33</u>	<u>76,633,296</u>	<u>7,663.33</u>

(b) Rights, Preferences and Restrictions attached to Shares**Equity Shares:**

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972
% of Share holding	25.19%	25.19%
b. Navtech Farm Products Pvt. Ltd.	41,96,167	41,96,167
% of Share holding	5.48%	5.48%
c. Caplin Vuniyog Pvt. Ltd.	42,22,789	42,22,789
% of Share holding	5.51%	5.51%

RESERVES AND SURPLUS

	As at March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
Capital Reserve		
Balance as per last financial statements	577.10	815.52
Less: Transfer to General Reserve	4.87	207.00
Less Transfer to statement of Profit & Loss (Note a)	21.37	31.42
Balance at the end of the year	550.86	577.10
General Reserve		
Balance as per last financial statements	5,116.51	4,909.51
Add: Amount transferred from Capital Reserve	4.87	207.00
Balance at the end of the year	5,121.38	5,116.51
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(8,684.60)	(8,577.09)
Add: Profit/(Loss) for the year	(664.59)	(107.51)
Balance at the end of the year	<u>(9,349.19)</u>	<u>(8,684.60)</u>
Total	<u>(2,616.03)</u>	<u>(1,930.07)</u>

	As at March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
(a) Transfer from Capital Reserve to Statement of Profit and Loss represents the difference between depreciation charged on "revalued amount" on Assets and depreciation calculated on "historical cost" of assets.	21.37	31.42

LONG TERM BORROWINGS **NOTE 3**

	Non-Current portion		Current Maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Secured:				
Term Loans :				
From Others	-	-	-	1.56
				<u>1.56</u>
Amount disclosed under the head "Other Current Liabilities" (Note 7)	-	-	-	1.56
Total				<u>-</u>

PROVISIONS **NOTE 4**

	Long Term		Short Term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Provision for Accrued Gratuity Liabilities	650.47	550.28	227.72	385.09
Provision for Accrued Leave Liabilities	110.62	101.46	49.59	76.64
Provision for Income Tax (Net of Advance Tax of Rs. -- Lakhs, Previous Year Rs. 3480.09 Lakhs)	-	-	-	866.33
Provision for Wealth tax (Net of Advance tax)	-	-	0.68	0.68
Total	<u>761.09</u>	<u>651.74</u>	<u>277.99</u>	<u>1,328.74</u>

SHORT TERM BORROWINGS **NOTE 5**

	As at	
	March 31, 2012 Rs. Lakh	March 31, 2011 Rs. Lakh
Secured:		
From Others	<u>867.58</u>	<u>740.82</u>
	<u>867.58</u>	<u>740.82</u>
Unsecured:		
From Others	<u>820.53</u>	<u>582.15</u>
	<u>820.53</u>	<u>582.15</u>
Total	<u>1,688.11</u>	<u>1,322.97</u>
Nature of Security from Others	Rs. Lakh	Terms of Repayment
Secured:		
Secured by Charge on		

one of the immoveable properties of the company.	185.18	On demand
2. Pledge of 9,41,975 Equity Shares of ORG Informatics Ltd	21.16	On demand
3. Secured by charge on one of the immoveable property of the company y pledge of 80,946 Equity Shares of M/s Synbiotics Ltd	661.24	On demand
Total	<u>867.58</u>	

TRADE PAYABLES **NOTE 6**

	As at	
	March 31, 2012 Rs. Lakh	March 31, 2011 Rs. Lakh
Creditors in respect of Goods and Services (Note a)	2,428.87	3,243.17
Total	<u>2,428.87</u>	<u>3,243.17</u>

- a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:
- Amount due and outstanding to suppliers as at the end of accounting year;
 - Interest paid during the year;
 - Interest payable at the end of the accounting year; and
 - Interest accrued and unpaid at the end of the accounting year have not been given.
- The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

OTHER CURRENT LIABILITIES **NOTE 7**

	As at	
	March 31, 2012 Rs. Lakh	March 31, 2011 Rs. Lakh
Current maturities of long-term borrowings (Note 3)	-	1.56
Interest accrued but not due	3.08	3.08
Statutory dues	1,699.98	1,683.98
Due to related Parties	72.61	781.17
Payable to Employees	1,172.15	1,057.93
Due to Director	7.66	1.83
Security Deposits	181.67	206.62
Book overdraft	-	20.62
Others	2,550.54	1,775.28
Total	<u>5,687.69</u>	<u>5,823.08</u>

TANGIBLE ASSETS

NOTE 8

Rs. Lakh

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As on 01.04.11	Additions	Deductions	As on 31.03.12	As on 01.04.11	for the year	Deductions	As on 31.03.12	As on 31.03.12	As on 31.03.11
Own Assets										
Freehold Land	2,287.92	-	92.08	2,195.84	-	-	-	-	2,195.84	2,287.92
Building	826.43	-	-	826.43	491.56	25.91	-	517.47	308.96	334.87
Plant and Machinery	4,251.38	34.77	0.25	4,285.90	2,977.41	127.84	-	3,105.25	1,180.65	1,273.97
Furniture and Fixtures	313.45	-	-	313.45	272.94	4.32	-	277.26	36.19	40.51
Vehicles	64.26	-	0.29	63.97	57.45	2.94	0.29	60.10	3.87	6.81
Library	0.10	-	-	0.10	0.09	-	-	0.09	0.01	0.01
Total	7,743.54	34.77	92.82	7,685.69	3,799.45	161.01	0.29	3,960.17	3,725.52	3,944.09
Previous Year	8,622.20	238.14	1,116.80	7,743.54	4,408.21	185.76	794.52	3,799.45	3,944.09	-

INTANGIBLE ASSETS

NOTE 9

Rs. Lakh

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As on 01.04.11	Additions	Disposals	As on 31.03.12	As on 01.04.11	for the year	Deductions	As on 31.03.12	As on 31.03.12	As on 31.03.11
Own Assets										
Goodwill	2,277.62	-	-	2,277.62	-	-	-	-	2,277.62	2,277.62
Total	2,277.62	-	-	2,277.62	-	-	-	-	2,277.62	2,277.62
Previous Year	2,277.62	-	-	2,277.62	-	-	-	-	2,277.62	-

NON CURRENT INVESTMENTS

NOTE 10

Particulars	Face Value Per Share (Rs.)	No. of Share	Rs. in Lakh	Rs. in Lakh
			As at March 31, 2012	As at March 31, 2011
I Trade Investments (At Cost)				
Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	2051275	205.49	205.49
Less: Diminution in Value of Investment (9,41,975 Ordinary Shares pledged)			(22.72)	(22.72)
			182.77	182.77
II Other Investments (Unquoted)				
Ordinary shares each fully paid of Co-operative Bank of Baroda Limited	25	1100	0.28	0.28
Ordinary share fully paid of Baroda Industrial Dev. Corp. Ltd	1000	1	0.01	0.01
Ordinary shares each fully paid of Manekchowk Co-op				

	25	1204	0.30	0.30
Bank Ltd				
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	1 pound	73498	36.33	36.33
Ordinary shares of Asence Limited (Rs.445)	1 pound	9	-	-
Ordinary shares of each fully paid of Sardar Vallabh bhai Sahkari Bank Ltd	25	40	0.01	0.01
			36.93	36.93
III Investments in Equity Shares In Subsidiaries				
Unquoted				
Ordinary shares each paid of Synbiotics Limited (Rs. 100 paid up) (35,000 shares pledged)	1000	35,000	35.00	35.00
Ordinary shares each fully paid up of Synbiotics Limited. (80,946 shares pledged)	1000	80,946	3,804.46	3,804.46
Ordinary shares each fully paid of Sarabhai M Chemicals Ltd.				

(formerly known as Mautik Exim Ltd)	10	50000	5.00	5.00
Ordinary shares each fully paid of Haryana Containers Limited	10	50,000	8.53	8.53
Non-assessable shares of Asence Inc. Ordinary shares fully paid of Systronics (India) Limited	US\$10	500	2.34	2.34
Ordinary shares each fully paid of Suvik Hitek P Limited	10	2,500,000	1.00	1.00
IV In Joint Venture Company Ordinary shares each fully paid of Vovantis Laboratories P Ltd (24,80,709 shares acquired during the year)	10	5,747,064	574.71	326.64
			<u>5,629.84</u>	<u>5,331.47</u>
Share Application Money			-	82.80
Total			<u>5,849.24</u>	<u>5,693.67</u>

a Aggregate amount of quoted investments				
Market value of quoted investments				
Aggregate amount of unquoted investments		5,849.24		5,601.17
Aggregate provision for diminution in value of investments		22.72		22.72

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	5,849.24	5,601.17
Current Investments	-	-
Total	<u>5,849.24</u>	<u>5,601.17</u>

LOANS AND ADVANCES

	Long Term		Short Term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Security Deposits	37.69	56.84	-	-
Advance tax paid (Net of Provision of Rs. 3363.66 Lakhs Previous Year Rs. =)	18.03	-	-	-
Loans and Advances:	-	-	-	-

To Related Parties	-	-	-	-
Considered good	-	-	1,823.48	2,454.23
To Employees	-	-	93.45	51.41
Advances recoverable in cash or in kind or for value to be received	-	-	-	-
Considered good	-	-	828.50	929.08
Considered doubtful	-	-	301.53	301.53
Less: Provision	-	-	301.53	301.53
Prepaid Expenses	-	-	4.01	2.05
Balances with Government Authorities	-	-	3.55	9.31
CENVAT/Custom Duty Receivable	-	-	8.72	0.58
Total	<u>55.72</u>	<u>56.84</u>	<u>2,781.71</u>	<u>3,446.66</u>

OTHER ASSETS

	Non Current		NOTE 12 Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Non Current Bank Balances (Note 15)	610.11	606.78	-	-
Interest Accrued	14.97	15.51	-	-
Total	<u>625.08</u>	<u>622.29</u>	-	-

INVENTORIES

	NOTE 13	
	As at March 31, 2012	As at March 31, 2011
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	74.96	51.51
Stores and Spares	8.08	9.76
Work-in-Progress	36.27	-
Finished Goods	6.62	4.63
Stock in Trade	36.87	22.10
Total	<u>161.80</u>	<u>88.02</u>

a. Details of Inventory

	As at	
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Raw Material and Packing Material		
Antibiotics	16.68	0.80
Beard and Paper	1.06	0.27
Chemotherapeutic Agents	32.23	23.89
Geletine Capsules	0.02	0.74
Sugar	0.01	0.02
Others	8.85	8.34
Packing Materials	16.81	17.45
Total	<u>74.96</u>	<u>51.51</u>

Work-in-Progress		
Tablets & Capsules	23.01	-
Injections	13.26	-
Total	36.27	-
Finished Goods		
Injections	1.09	-
Liquid	0.92	-
Tablets & Capsules	3.61	4.63
Total	5.62	4.63
Stock in Trade		
Tablets & Capsules	12.78	3.63
Injections	24.09	15.40
Liquid	-	3.07
Total	36.87	22.10

TRADE RECEIVABLES		NOTE 14
(Unsecured, considered good unless otherwise stated)	As at	As at
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Outstanding for a period exceeding six months from the date they became payable	-	-
Considered good	-	11.39
Considered doubtful	491.41	491.41
Less: Provision for Doubtful Debts	(491.41)	(491.41)
Others	359.58	1,515.43
Total	359.58	1,526.82

CASH AND BANK BALANCES			NOTE 15
	Non Current		Current
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012
			As at March 31, 2011
Cash and Cash Equivalents:			
Cash on Hand	-	-	0.74
Balances with Banks			1.06
In Current Accounts	-	-	19.98
In Other Accounts	-	-	20.72
Bank Balances:			
Deposits Accounts			
With original maturity more than 3 months but less than 12 months	-	-	43.97
With original maturity more than 12 months	329.10	308.12	-
Held as Margin Money	279.41	297.06	-
In connection with Financial Security	-	-	-
By Guarantee Facility	-	-	-
In connection with Sales	-	-	-
Tax Exempt Department	1.60	1.60	-
	610.11	606.78	43.97
			42.56

Amount disclosed under the head "Other Non Current Assets"	610.11	606.78	
(Note 12)			
Total	-	-	64.69
			112.48

REVENUE FROM OPERATIONS		NOTE 16
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Sale of Products		
Finished Goods and Stock-in-Trade	2,211.82	3,832.14
Less: Excise Duty	86.50	83.90
	2,125.32	3,748.24
Sale of Services	3.12	158.11
Total	2,128.44	3,906.35

a Details of Sales and Services		Year Ended	Year Ended
		March 31, 2012	March 31, 2011
		Rs. Lakh	Rs. Lakh
Sale of Products (including Excise Duty)			
Tables/Capsules	972.36	874.53	
Liquid	365.85	500.08	
Injectable	782.94	744.82	
Ointment	20.64	22.15	
Powder	69.67	46.58	
Others	0.36	690.34	
Oscilloscopes	-	0.82	
Test Instruments	-	10.02	
Textile Analytical Instruments Pieces	-	642.28	
Video Equipment	-	300.52	
	2,211.82	3,832.14	

Sale of Services		
Income on EDP Charges	3.12	3.12
Agency Commission	-	38.32
Service Charges recovered - Others	-	116.67
	3.12	158.11
Total	2,214.94	3,990.25

OTHER INCOME		NOTE 17
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Interest Income	246.46	111.43
Dividend Income on:		
Long Term Investments	-	0.04
Exchange Difference (Net)	-	0.58
Sundry Credit Balances		
Appropriated	124.18	464.40
Provision no longer required	102.63	96.22
Scrap Income	-	1.47

Miscellaneous Income	137.13	74.75
Total	610.40	748.89

COST OF MATERIALS CONSUMED	NOTE 18	
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Stock at the beginning of the year	51.51	109.87
Purchases	395.00	360.09
	446.51	469.96
Less: Stock at the end of the year	74.96	51.51
Total	371.55	418.45

a. RAW MATERIAL AND PACKING MATERIAL CONSUMED

	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Antibiotics	37.87	28.58
Board and Paper	2.33	1.33
Chemotherapeutic Agents	228.23	116.82
Geletine Capsules	3.17	1.86
Sugar	1.04	0.94
Anti Cancer	14.26	3.24
Others	8.87	225.54
Packing Materials	75.78	40.14
Total	371.55	418.45

b Value of imported and indigenous materials consumed

	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials		
Imported	228.23	181.05
	61.43%	43.27%
Indigenous	143.32	237.40
	38.57%	56.73%
Total	371.55	418.45

PURCHASE OF STOCK IN TRADE	NOTE 19	
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh

I Drug and Pharmaceuticals formulations		
1. Injectable	390.64	472.63
2. Liquid	326.55	465.95
3. Ointments	19.47	20.97
4. Powders	65.72	81.97
5. Tablets & Capsules	609.69	671.83
II Electronics video equipment	-	285.71
III Others	-	516.88
Total	1,412.07	2,515.94

CHARGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
(Increase) in stocks		
Stock at the end of the year		
Finished Goods	5.62	4.63
Stock-in-trade	36.87	22.10
Work-in-Progress	36.27	-
	78.76	26.73
Stock transferred due to Sale of Undertaking		
Stock-in-trade	-	378.31
Finished Goods	-	194.63
	-	572.94
Stock at the beginning of the year		
Finished Goods	4.63	6.48
Stock-in-trade	22.10	341.44
Work-in-Progress	-	218.38
	26.73	566.30
(Increase) in stocks	(52.03)	(33.37)

EMPLOYEE BENEFITS EXPENSE

	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Salaries and Wages	1,067.34	1,391.67
Contribution to Provident Fund and Other Funds	93.11	108.43
Staff Welfare Expenses	57.27	74.22
	1,217.72	1,574.33
Directors' Remuneration	38.87	42.14
Total	1,256.59	1,616.47

FINANCE COST

	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Interest		
On Term Loans	325.74	250.15
Others	394.57	805.29
Other Borrowing Costs	121.75	96.93
Bank Charges	1.58	12.72
Total	843.64	1,165.09

DEPRECIATION EXPENSE

	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Depreciation of Tangible Assets	161.01	185.76
Less: Transfer from Capital Reserve (Note 2a)	21.37	31.42
Total	139.64	154.34

OTHER EXPENSES	NOTE 24		EXTRAORDINARY ITEM	NOTE 25	
	Year Ended	Year Ended		Year Ended	Year Ended
	March 31, 2012	March 31, 2011		March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh	
Power and fuel	25.52	78.25	Profit on Sale of Land	1,118.97	-
Insurance	2.60	3.09	Profit on Sale of Building		
Rent	4.22	42.20	& other Fixed Assets	-	1,761.53
Rates and taxes	37.92	166.28	Profit on Sale of Undertaking		621.96
Repairs:			Total	1,118.97	2,383.49
To Buildings	2.25	5.27			
To Machineries	3.14	13.31	EARNING PER SHARE (EPS)		NOTE 26
To others	2.54	7.99	Calculation of EPS	Year Ended	Year Ended
Factory Over Heads	93.97	91.46	(Basic & Diluted)	March 31, 2012	March 31, 2011
Selling Commission	10.13	17.81		Rs. Lakh	Rs. Lakh
Wholesalers' / Distributors Discount	1.40	0.63	Profit/(Loss) available to		
Selling Expenses	17.01	17.91	Equity Shareholder	(1,783.56)	(2,491.00)
Distribution Expenses	7.22	13.91	before Extra Ordinary Item		
Loss on sales of Assets (net)	0.23	17.67	Profit/(Loss) available to		
Directors' Fees	1.53	1.98	Equity Shareholder	(664.59)	(107.51)
Liquidated Damages	22.76	7.99	after Extra Ordinary Item		
Excise Duty - others	0.12	21.50	Weighted average no. of		
Legal Charges	56.46	48.80	Equity Shares for	76,633,296	76,633,296
Travelling Expenses	44.72	99.92	Basic and Diluted EPS		
Bad debts/Advances	-	41.48	Nominal value of Equity Shares	10	10
Provision for Bad & Doubtful			Basic and Diluted		
Debts & advances	-	0.14	Earning per Equity Share	(2.33)	(3.25)
Research and Development	-	0.41	before Extra Ordinary Item		
Payments to the auditor as			Basic and Diluted		
(a) Auditor	5.62	5.52	Earning per Equity Share	(0.87)	(0.14)
(b) For tax audit matters			after Extra Ordinary Item		
(for Four years)	7.35	1.82	(A) Reconciliation of the		
(c) For Other Certification work	4.72	5.83	profit/(Loss) for the year,		
(d) For reimbursement of expenses	1.52	-	used for calculating Earning per Share		
Miscellaneous Expenses	197.99	263.11	Profit/(Loss) for the		
Diminution of value of Investment	-	22.72	year before	(1,783.56)	(2,491.00)
Total	550.94	997.00	Extra Ordinary Items		
			Net Extra Ordinary Income	1,118.97	2,383.49
SPARE PARTS		NOTE 24-A	Profit/(Loss) available to		
	Year Ended	Year Ended	Equity Shareholder after	(664.59)	(107.51)
	March 31, 2012	March 31, 2011	Extra Ordinary Items		
	Rs. Lakh	Rs. Lakh			
Imported	-	-			
	-	-			
Indigenous	3.14	13.31			
	100.00%	100.00%			
Total	3.14	13.31			

NOTE 27

Significant Accounting Policies and Notes to Accounts**I. SIGNIFICANT ACCOUNTING POLICIES:****(A) ACCOUNTING CONVENTION**

The Company follows the accrual method of accounting. The financial statements have been prepared in accordance with the historical cost convention (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts) and accounting principles generally accepted in India.

The Preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

(B) INFLATION

Assets and Liabilities are recorded at historical cost to the company (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts).

(C) REVENUE RECOGNITION

(C.1) Sales are recognized based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Sales are stated inclusive of excise duty and net of returns & Sales Tax/VAT.

(C.2) Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

(D) VALUATION OF INVENTORY

(D.1) The stock of Raw Materials and finished goods have been valued at the lower of cost and net realizable value. The cost has been measured on weighted average cost basis and includes cost of materials and cost of conversion.

(D.2) All other inventories of stores and consumables are valued at cost. Cost is measured on weighted average cost basis. Excise duty wherever applicable is provided on finished goods lying within the factory.

(E) FIXED ASSETS & DEPRECIATION

(E.1) Fixed assets are stated at their original cost of acquisition/revalued cost wherever applicable less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their location and working condition.

(E.2) Depreciation on Revalued Fixed Assets is calculated on Straight Line Method based on their expected life as determined by the values or lives as determined on Straight Line Method as per Schedule XIV to the Companies Act, 1956 whichever is lower.

(E.3) Depreciation on additions other than vehicles and few other assets is calculated on Straight Line Method as per Schedule XIV to the Companies Act, 1956. Depreciation of vehicles and few other assets is calculated on Written Down Value Method as per Schedule XIV to the Companies Act, 1956.

(E.4) Difference between depreciation calculated on revalued cost and historical cost of assets is withdrawn from capital reserve.

(E.5) Individual assets costing less than Rs. 5,000/- have been fully depreciated in the year of purchases.

(F) IMPAIRMENT OF ASSETS

An Asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

(G) INVESTMENTS

Long Term investments are stated at cost/book value. Fall in the value, other than temporary, has been charged to Profit & Loss Account.

(H) FOREIGN CURRENCY TRANSACTIONS

(H.1) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.

(H.2) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

(H-3) Non monetary foreign currency items are carried at cost / book value.

(H.4) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

(I) EMPLOYEE BENEFITS

(I.1) The Company has Defined Contribution Plans for post employment benefits namely (a) Superannuation Fund which is administered through trustees and (b) Provident Fund which is administered through trust and / or to the Government. The Company's contribution thereto are charged to revenue every year. The Company's Contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

(I.2) The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. Gratuity scheme is unfunded.

(I.3) Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

(J) TAXES ON INCOME

(J.1) Tax expense consists of both current as well as deferred tax liability. Current tax represents amount of income tax payable in respect of taxable income for the year.

(J2) Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

(J.3) Deferred tax asset is recognised and carried forward to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(K) EARNING PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

II. NOTES TO ACCOUNTS**1 Deferred Tax**

In terms of the provisions of the Accounting Standard -22 "Accounting for Taxes on Income" notified by Companies (Accounting Standards) Rules, 2006, there is a net deferred tax asset on account of accumulated business losses and unabsorbed depreciation.

In compliance with provisions of Accounting Standard and based on General Prudence, the Company has not recognized the deferred tax asset while preparing the accounts for the year under review.

2 Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation/reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

3. No provision is considered necessary for following contingent liabilities:

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
(i) Disputed demand of Customs and Excise		
(a) Customs and Excise	62.98	116.05
(b) Sales Tax	18.90	18.90
(c) Income Tax	3514.42	173.17
(ii) Claims not acknowledged as debt	39331.88	39315.24
(iii) Claims by Government for payment into DPEA	39.25	39.25
(iv) Guarantee given by banks on behalf of the Company	292.59	293.30
(v) Guarantee given by company on behalf of other Companies	1104.69	420.73
	44364.71	40376.64

3b Hon'ble Supreme Court has allowed Company's Civil Appeals against the judgment and order of the Division Bench of Gujarat High Court vide which Division Bench by its order had set aside the order of the Single Judge sanctioning Scheme of Arrangement relating to Company's erstwhile Swastik Division and Electronics Division While allowing the appeals, Hon'ble Supreme Court has directed that Company shall execute a guarantee favouring the Central Bank of India and

Bank of Baroda in respect of their dues in the suit filed by them which is pending before Debts Recovery Tribunal. The Company has accordingly given the guarantee. BIFR passed an order for winding up of Swastik Surfactants Limited (SSL) since the Revival Scheme had failed. However, SSL appealed this order in AAIFR, which has remanded the case to BIFR with appropriate directives.

In all the earlier Revival Schemes, SSL had acknowledged liabilities of banks as well as liabilities of banks as well as liabilities towards ASE. In view of this, ASE had approached BIFR and AAIFR to be impleaded in the matter, which has been allowed by AAIFR. The Company has based on legal advice taken appropriate action at BIFR stage and the matter is being pursued by the company.

With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice from Kotak Mahindra Bank Limited, Mumbai invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda in its capacity as trustee of IARC-BOB-01/07 trust on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the demand made of Rs. 37770.51 lakh and based on legal advice, the Company has taken necessary action required in the matter.

4 Capital and Other Commitments

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	-	-
Other Commitments	-	-

5. Employee benefits AS-15(Revised)

(I) Define benefit Plans – As per Actuarial Valuation as on 31.03.12

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
I Expense recognized in the Statement of Profit & Loss Account for the year ended		
1. Current Service Cost	30.86	35.52
2. Interest Cost	75.40	79.10
3. Expected Return on Plan Assets		

4. Past Service Cost (Non Vested Benefit) Recognized	-	-
5. Past Service Cost (Vested Benefit) Recognized	-	-
6. Actuarial (Gain)/ Loss	8.78	52.8
7. Total Expenses	115.04	167.4

II Amount recognized in the Balance Sheet as on		
1. Liability at the end of the year	878.19	935.3
2. Fair Value of Plan Assets	-	-
3. Amount recognized in the Balance Sheet under "Provision for Gratuity"	(878.19)	(935.3)

III Change in Obligation during The year ended		
1. Liability at the beginning of the year	935.37	1188.2
2. Less: Adjustment due to de merger	-	206.6
3. Liability at the beginning of the year after de merger	935.37	981.6
4. Interest Cost	75.40	79.1
5. Current Service Cost	30.86	35.5
6. Benefit Paid	(172.22)	(213.7)
7. Actuarial (Gain)/ Loss on obligation	8.78	52.8
8. Liability at the end of the year	878.19	935.3

IV Change in Fair value of Plan Assets during the year ended		
1. Fair Value of Plan Assets at the beginning of the year	-	-
2. Expected Return on Plan Assets	-	-
3. Contribution by Employer	172.22	213.7
4. Actual Benefit Paid	(172.22)	(213.7)
5. Actuarial gain / (loss) on Plan Assets	-	-
6. Fair Value of Plan Assets at the end of the year	-	-
7. Actuarial Gain/(Loss) to be recognized	(8.78)	(52.82)

V Balance Sheet Reconciliation		
1. Opening Net Liability	935.37	981.6
2. Expenses Recognised in the Profit & Loss Account	115.04	167.4
3. Employer's Contribution	(172.22)	(213.7)
4. Amount Recognised in the Balance Sheet	878.19	935.37

Actuarial Assumption:

1. Discount Rate:	8%	8%
2. Salary Growth Rate:	4%	4%

Segment Reporting:

Particulars	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Segment Revenue		
a) Pharmaceuticals	2,128.44	2,231.11
b) Electronics	--	1,675.24
Total Sales	2,128.44	3,906.35
Less: Inter Segment Revenue	-	-
Net Sales	2,128.44	3,906.35
Segment Results		
Segment Results before Interest & Finance Cost		
a) Pharmaceuticals	(939.92)	(1309.75)
b) Electronics	--	33.84
Total Segment Results	(939.92)	(1,275.91)
Less: Interest & Finance Cost	843.64	1,165.09
Profit/(Loss) from Ordinary Activities	(1,783.56)	(2,441.00)
Extra Ordinary Items (Net)	1,118.97	2,383.49
Profit/(Loss) before Tax	(664.59)	(57.51)
Other Information		
Segment Assets		
a) Pharmaceuticals	10,041.81	12,118.29
b) Electronics	--	--
c) Unallocable	5,849.24	5,693.67
Total Assets	15,891.05	17,811.96
Segment Liabilities		
a) Pharmaceuticals	10,082.66	11,426.96
b) Electronics	--	--
c) Unallocable	--	--
Total Liabilities	10,082.66	11,426.96
Segment Depreciation		
a) Pharmaceuticals	139.64	142.85
b) Electronics	--	11.49
c) Unallocable	--	--
Total Depreciation	139.64	154.34
Capital Expenditure		
a) Pharmaceuticals	34.77	196.57
b) Electronics	--	--
c) Unallocable	--	--
Total Capital Expenditure	34.77	196.57

Non Cash Expenses other than Depreciation

a) Pharmaceuticals	--	--
b) Electronics	--	41.62
c) Unallocable	--	--

Total Non Cash Expenses other than Depreciation	--	41.62
--	-----------	--------------

B Secondary Segment (Geographical by customers)

Particulars	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Segment Revenue		
a) In India	2,128.44	3,868.03
b) Outside India	--	38.32
Total	2,128.44	3,906.35

Carrying Cost of Assets by location of assets

a) In India	15,891.05	17,811.96
b) Outside India	--	--
Total	15,891.05	17,811.96

Addition to Assets

a) In India	34.77	196.57
b) Outside India	--	--
Total	34.77	196.57

Notes:

1. The Company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the Organizational structure and internal reporting system. The Company's operations predominantly relate to manufacturing of Drugs, Formulation, Electronics Instrument and Services.

2. Types of Products and Services in each business segment:

Pharmaceuticals : Drugs, Formulations

Electronics : Electronics Instruments and Services

3. Inter-segment Revenues are recognised at sales price.

7. **Related Party Disclosures:**

As per the Accounting Standard on "Related Party Disclosures (AS 18)" notified by Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follow:

1 List of Related Parties Relationship

(A) Name of Related Party	Description of relationship
Synbiotics Limited	Subsidiary Company

Haryana Containers Limited	Subsidiary Company
Asence Inc. USA	Subsidiary Company
Asence Pharma Pvt. Ltd.	Sub. of Sub. Company
Sarabhai M Chemicals Ltd (Formerly known as Mautik Exim Ltd)	Subsidiary Company
Systronics (I) Ltd.	Subsidiary Company

Suvik Hitek Pvt. Ltd.	Subsidiary Company
Vovanties Lab. Pvt. Ltd.	Joint Venture Company

(B) Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Kartikeya V. Sarabhai	Chairman
Mr. A.H. Parekh	Whole time Director

Note:

Related party relationship is as identified by the Company and relied upon by the Auditors.

2 Related Party Transactions:

	Rs. in Lakh					
	Related Parties Subsidiary Companies		Related Parties Joint Venture Company		Key Management Personnel	
	(1A) above				(1B) above	
	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2012	Year Ended March 31, 2011
EXPENSES						
Purchase of Goods/Services	47.32	124.95	2.08	0.76		
Processing Charges	0.35	0.11	-	-		
Interest paid	-	-	-	4.32		
INCOME						
Recovery of salaries etc. of seconded employees	10.20	15.25	27.34	16.56		
Sales of Goods	75.15	116.32	1.00	0.60		
Sales of Assets	-	-	-	12.23		
Royalty	2.25	6.00				
Recovery of share in cost of various utilities and expenditures etc.	103.47	14.64	6.03	3.52		
Remuneration to key management personnel					38.87	42.14
Interest received	191.03	65.52	-	-		
FINANCE						
Loan Given	-	1,094.27	-	-		
Receivable in respect of Current Assets	1,779.03	1,359.96	71.82	22.45		
Loans	-	1,094.27	-	-		
Shares received on transfer of undertaking	-	1,188.50	-	-		
Sales of undertaking	-	1,455.50	-	-		
Payable in respect of Current Liabilities	28.16	781.17	-	-	7.66	1.83

Ambalal Sarabhai Enterprises Limited

Information pursuant to schedule VI of Companies Act, 1956 in respect of goods manufactured Class of goods manufactured

	Unit	Licensed capacity	Installed capacity (Note 4)	Opening stock Qty.	Production Qty. (Note 1)	Stock transfer to SIL 01.10.10	Closing stock Qty.	Turnover Qty. (Note 2)	Rs. Lakh
Drug and Pharmaceuticals:									
Bulk Drugs and Intermediates									
Vitamin C	MT	1000 (1000)	600 (600)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)
Formulation:									
Injectables:	M.Vials	-	-	-- (-)	5.484 (3.098)	-- (-)	-- (-)	5.484 (3.098)	327.66 (219.14)
Liquid	KL	-	-	-- (-)	8,910.00 4.945	-- (-)	410.00 (-)	8,500.00 4.945	20.09 (11.69)
Ointments	MT	-	-	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)
Powders	MT	-	-	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)
Tablet and Capsules	M.Nos	-	-	-- (-)	12.128 (7.342)	-- (-)	-- (-)	12.128 (6.930)	185.41 (91.93)
Electronics									
Oscilloscopes	Pieces	-- (1500)	-- (1500)	-- (21)	-- (-)	-- (21)	-- (-)	-- (-)	-- (0.82)
Test Instruments	Pieces	-- (1500)	-- (1500)	-- (97)	-- (359)	-- (323)	-- (-)	-- (133)	-- (10.02)
Textile Analytical Instruments	Pieces	-- (6000)	-- (6000)	-- (513)	-- (2,930)	-- (1,141)	-- (-)	-- (2,302)	-- (642.28)
I. Others									0.36 (30.46)
									533.52 (1,006.34)

Includes production for captive consumption.

Includes free samples.

In terms of Press Note No.4 (1994) dated October 25, 1994 issued by the Department of Industrial Development, Ministry, Government of India, and Notification no. S.O.137 (E) dated March 1, 1999 issued by the Department of Industrial Policy and Promotion, Ministry of Industry, Government of India, Industrial licencing has been abolished in respect of Bulk Drugs and Formulation.

Installed capacity is as certified by management except manufacturing of formulation at Baroda factory is discontinued on account of sale/discarding of plant & machinery since 2008-09, hence installed capacity for formulation activity is not mentioned.

Class of goods Traded

	Unit	Opening Stock		Purchases		Closing Stock		Turnover	
		Qty.	Rs.Lakh	Qty.	Rs. Lakh	Qty.	Rs. Lakh	Qty.	Rs. Lakh
Drug and Pharmaceutical									
Formulations									
Injectables	Th.Nos	3.30 (4.00)	16.10 (24.16)	5,540.28 (8,097.60)	390.64 (472.63)	23.00 (3.30)	24.09 (16.10)	5,520.58 (8,098.38)	455.28 (525.68)
Liquid	KL	39.00 (-)	3.07 (-)	398.740 (625.110)	326.550 (465.95)	- (39)	- (3.07)	437.740 (586.11)	345.76 (488.39)
Ointments	MT	-	-	5.71 (7.210)	19.47 (20.97)	-	-	5.71 (7.210)	20.64 (22.15)
Powders	MT	-	-	59.100 (146.67)	65.72 (81.97)	-	-	59.100 (126.67)	69.67 (46.58)
Tablets and Capsules	Th.Nos	389 (528)	7.56 (10.54)	353,240.32 (396,172)	609.69 (671.83)	316.00 (389)	16.38 (7.56)	353,313.32 (396,311.06)	786.95 (782.60)
Electronics									
Video Equipment	Nos	-	-	-	-	-	-	-	-
		(20)	(32.34)	(182)	(285.71)	-	-	(175)	(300.52)
I. Others									
		-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(516.88)	(-)	(-)	(-)	(659.88)
					1,412.07 (2,515.94)				1,678.30 (2,825.80)

C. Raw Materials Consumed. @

	Unit	2011-12		2010-11	
		Quantity	Rs.Lakh	Quantity	Rs.Lakh
Antibiotics	KG	9	37.87	6	28.58
Board and Paper	MT	--	2.33	5.475	1.33
Chemotherapeutic Agents	KG	1.453	228.23	753	116.82
Geletin Capsules	TH	4500	3.17	3000	1.86
Suger	KG	3.43	1.04	3.216	0.94
Anti Cancer	KG	1000	14.26	225	3.24
Others			8.87		225.54
Packing Materials			75.78		40.14
			371.55		418.45

@Includes captive consumption.

9 CIF Value of Imports

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Raw Materials	202.61	81.26
Components and Spares	-	46.02
Other Items	-	4.54

10 Expenditure in Foreign Currency

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Travelling	-	3.09
Others	0.66	3.16
Fixed Assets	-	0.60

11 Earing in Foreign Currencies

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
FOB Value of Exports	-	-
Commission	-	38.32

12 The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 30-05-2012

Place : Vadodara

Kartikeya V. Sarabhai

Chairman

Ashwin P. Hathi

Director

Ketan Adhvaryu

Company Secretary

Date : 30-05-2012

Place : Vadodara

Cash Flow Statement

	March 31, 2012 Rs. Lakh	March 31, 2011 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(664.59)	204.81
Adjustments for:		
Depreciation /Amortization	139.64	154.34
Interest Income	(246.46)	(111.45)
Borrowing Cost	843.64	1,165.09
Dividend Income	-	(0.04)
Bad Debts Written Off	-	41.48
Provision for Diminution in value of Investments	-	22.72
Provision for Bad Debts	-	0.14
Sundry Credit Balances Appropriated	(124.18)	(464.40)
Profit on Sale of Tangible/Intangible assets	0.23	17.67
Extra Ordinary Item	(1,118.97)	(2,383.49)
	(506.10)	(1,557.92)
Operating Profit before Working Capital Changes	(1,170.69)	(1,353.11)
Working Capital Changes:		
Changes in Inventories	(73.78)	299.32
Changes in trade payables	(814.30)	(714.52)
Changes in other current liabilities	279.79	2,355.85
Changes in provisions	(75.07)	(184.30)
Changes in loans and advances	704.10	(2,119.45)
Changes in trade receivables	1,167.25	(126.28)
Changes in Other Bank Balances	(4.75)	(214.68)
Net Changes in Working Capital	1,183.24	(704.06)
Cash Generated from Operations	12.55	(2,057.17)
Direct Taxes paid (Net of Income Tax refund)	(884.36)	(11.57)
Net Cash Flow from Operating Activities	(871.81)	(2,068.74)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(1.39)	(196.57)
Sale of tangible assets	0.02	237.72
Change in Long Term Investments	(155.57)	(111.46)
Dividend Income	-	0.04
Interest Income	247.00	108.17
Net cash flow before Extra Ordinary Item	90.06	37.90
Proceeds from Sale of Investment in Joint Venture (Extra ordinary Items)	1,211.05	1,819.00
Net cash flow from Investing Activities	1,301.11	1,856.90
C Cash Flow from Financing Activities		
Changes in short term borrowings	365.14	487.35
Borrowing Cost	(843.64)	(1,165.09)
Net Cash flow from Financing Activities	(478.50)	(677.74)
Net Increase/(Decrease) in cash & cash equivalents	(49.20)	(889.58)
Cash & Cash equivalents at the beginning of the period	69.92	959.50
Cash & Cash equivalents at the end of the period	20.72	69.92
a Cash and cash equivalents comprise of: (Note 15)		
Cash on Hand	0.74	1.06
Balances with Banks	19.98	68.86
Total	20.72	69.92

As per our report of even date attached

For Sorab S Engineer & Co.
Firm Registration No 110417 W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Date : 30-05-2012
Place : Ahmedabad

Kartikya V. Sarabhai
Chairman
Ashwin P. Hathi
Director
Ketan Adhvaryu
Company Secretary
Date : 30-05-2012
Place : Ahmedabad

Statement pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary	Haryana Containers Limited	Synbiotics Limited	Asence Inc. USA	Sarabhai M. Chemicals Ltd. (Formally known as Mautik Exim Ltd.)	Asence Pharma P. Ltd.	Vovantis Laboratories P. Ltd.	Systronics (India) Ltd.	Suvik Hitek P. Ltd.
Financial year of the subsidiary ended on	31.03.2012	31.03.2012	31.12.2011	31.03.2012	31.03.2012	31.03.2012	31.03.2011	31.03.2012
Percentage of Ordinary share capital of the subsidiary held by the holding company at the above date	100%	100%	100%	100%	100%	50%	100%	100%
The net aggregate amount of Profits/(Losses) of the subsidiary so far as they concern the members of Ambalal Sarabhai Enterprises Limited:								
(i) Dealt with in the accounts of Ambalal Sarabhai Enterprises Limited for the subsidiary's financial year and the previous financial years. Rs Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Not dealt with in the accounts of Ambalal Sarabhai Enterprises Limited:								
(a) For the subsidiary's financial year Rs. Lakh	(0.46)	(369.26)	(13.39)	(0.49)	16.96	(177.78)	34.75	(29.68)
(b) For the previous financial year(s) of the subsidiary since it became subsidiary of the Company Rs. Lakh	(1.93)	(388.66)	18.64	(1.17)	563.78	(112.74)	(1.96)	(364.03)
Change in the interest of Ambalal Sarabhai Enterprises Limited in the subsidiary between end of financial year of subsidiary and that of Ambalal Sarabhai Enterprises Limited	NA	NA	NA	NA	NA	NA	NA	NA
Material changes between the end of the financial year of subsidiary and that of Ambalal Sarabhai Enterprises Limited in respect of subsidiary's fixed assets, investments, lending and borrowing for any purpose other than meeting current liabilities	NA	NA	NA	NA	NA	NA	NA	NA

Kartikeya V. Sarabhai
Chairman
Ashwin P. Hathi
Director
Ketan Adhvaryu
Company Secretary

Date : 30-05-2012
Place : Ahmedabad

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF AMBALAL SARABHAI ENTERPRISES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AMBALAL SARABHAI ENTERPRISES LIMITED AND ITS SUBSIDIARIES.

1. We have examined the attached Consolidated Balance Sheet of Ambalal Sarabhai Enterprises Limited and its subsidiaries ("ASE Group") as at 31st March 2012, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.
2. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one Joint Venture Company whose financial statements reflect (before giving effect to the consolidation adjustments) total Assets of Rs.682.10 lakh as at 31st March 2012 and total Revenue of Rs. 145.45 lakh for the year then ended. These Financial Statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amount included in respect of this Joint Venture Company, is based solely on the report of the other auditors.
4. Financial Statements of a foreign subsidiary in USA have been compiled and certified by Mark R Weksler & Company, Certified Public Accountant for the year ended 31st December 2011. This report has been furnished to us. They have reported that, "We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them." We are informed that audit is not necessary under the USA law considering the size of the Company. These financial statements reflect total assets of Rs.

113.16 lakh as at 31st December 2011 and total revenue of Rs. 179.79 lakh for the year ended on that date.

5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements' with reference to note mentioned in para 4 above and on the basis of the separate audited financial statements of the ASE Group included in the consolidated financial statements.
6. On the basis of information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of the ASE Group and subject to:
 - i) Adjustment in parent company in 1992-93 of debit balance in Profit and Loss Account amounting to Rs. 2519.31 lakh against revaluation reserve which was not in accordance with the accounting practice recommended by the Institute of Chartered Accountants of India;
 - ii) The Company has not considered impairment of Goodwill and other assets, as per Accounting Standard AS - 28 "Impairment of Assets" Amount unascertained;
 - iii) Note No. 35 Regarding non provision of doubtful debt of Rs.157.64 lakh and doubtful advances of Rs. 8.20 lakh;

Due to uncertainties regarding the amounts in respect of the above point we are unable to opine on the effect of the same on the loss for the year.

we are of the opinion that :

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the ASE Group as at 31st March, 2012;
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated loss of the ASE Group for the year then ended and
- (c) the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the ASE Group for the year then ended.

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417 W
Chartered Accountants

CA. Cnokshi Shreyas B.

Partner

Membership No.100892

Date :13-08-2012
Place : Ahmedabad

Consolidated Balance Sheet

	Note	As at March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(4,017.63)	(2,925.09)
Non-current liabilities			
Long Term Borrowings	3	325.24	68.08
Deferred Tax Liabilities (Net)	4	42.79	19.23
Long Term Provisions	5	1,230.50	1,184.24
Current liabilities			
Short Term Borrowings	6	2,454.94	1,895.76
Trade Payables	7	3,330.66	3,988.30
Other Current Liabilities	8	6,572.91	5,609.05
Short Term Provisions	5	386.41	1,332.31
Total		17,989.15	18,835.21
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	9	6,388.11	6,488.19
Intangible Assets	10	4,733.17	4,733.70
Capital Work-in-progress		11.74	112.30
Non-current Investments	11	229.31	223.31
Long Term Loans and Advances	12	261.30	195.60
Other Non-current Assets	13	648.41	688.08
Current assets			
Inventories	14	1,218.86	1,014.52
Trade Receivables	15	2,191.44	3,069.42
Cash and Bank Balances	16	945.80	1,077.44
Short Term Loans and Advances	12	1,302.67	1,182.74
Other Current Assets	13	58.34	49.91
Total		17,989.15	18,835.21

Significant Accounting Policies and Notes to Accounts 28

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 13-08-2012

Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman

B. V. Suryakumar
Director

Ketan Adhvaryu
Company Secretary

Date : 13-08-2012

Place : Ahmedabad

Consolidated Statement of Profit & Loss

	Note	March 31, 2012 Rs. Lakh	March 31, 2011 Rs. Lakh
Revenue from operations (Gross)	17	9,137.03	8,158.73
Less : Excise Duty		238.60	180.15
Revenue from operations (Net)		8,898.43	7,978.58
Other Income	18	407.56	873.58
Total Revenue		9,305.99	8,852.16
Expenses:			
Cost of materials and accessories consumed	19	839.56	734.76
Purchases of Stock in Trade		4,500.63	4,306.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(183.66)	(26.12)
Employee benefits expense	21	2,725.10	2,607.79
Finance costs	22	996.71	1,273.21
Depreciation and amortization expense	23	290.19	277.90
Other expenses	24	2,223.83	2,176.51
Total Expenses		11,392.36	11,350.17
Profit/(Loss) before exceptional and extraordinary items and tax		(2,086.37)	(2,498.01)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(2,086.37)	(2,498.01)
Extraordinary Items	25	1,118.97	1,761.53
Profit/(Loss) before tax and after extraordinary items		(967.40)	(736.48)
Tax expense:			
Current Tax		78.04	115.84
Deferred Tax		23.54	8.03
Profit/(Loss) after Tax		(1,068.98)	(860.35)
Short Provision for Taxation		2.19	262.32
Profit/(Loss) for the year		(1,071.17)	(1,122.67)
Earnings per equity share	26		
(Nominal Value per Share Rs. 10/- (Previous year Rs. 10/-):			
Before Extraordinary Items			
Basic		(2.86)	(3.76)
Diluted		(2.86)	(3.76)
After Extraordinary Items			
Basic		(1.40)	(1.46)
Diluted		(1.40)	(1.46)
Significant Accounting Policies	28		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Sorab S Engineer & Co.
Firm Registration No 110417 W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Date : 13-08-2012
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Adhvaryu
Company Secretary
Date : 13-08-2012
Place : Ahmedabad

SHARE CAPITAL

	NOTE 1	
	As at March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
Authorised Equity Shares 95000000 Shares (Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share	<u>9,500.00</u>	<u>9,500.00</u>
Issued Equity Shares 76633296 Shares (Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share	<u>7,663.33</u>	<u>7,663.33</u>
Subscribed and fully paid up Equity Shares 76633296 Shares (Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share fully paid up	<u>7,663.33</u>	<u>7,663.33</u>
Total	<u>7,663.33</u>	<u>7,663.33</u>

(a) Reconciliation of Number of Equity Shares

	As at		As at	
	No. of Share	Rs. in Lakh	No. of Share	Rs. in Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296	7,663.33
Balance at the end of the year	<u>76,633,296</u>	<u>7,663.33</u>	<u>76,633,296</u>	<u>7,663.33</u>

(b) Rights, Preferences and Restrictions attached to Shares**Equity Shares:**

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

	As at		As at	
	March 31, 2012 Rs. Lakh	March 31, 2011 Rs. Lakh	March 31, 2012 Rs. Lakh	March 31, 2011 Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972	25.19%	25.19%
% of Share holding				
b. Navtech Farm Products Pvt. Ltd.	41,96,167	41,96,167	5.48%	5.48%
% of Share holding				
c. Caplin Vuniyog Pvt. Ltd.	42,22,789	42,22,789	5.51%	5.51%
% of Share holding				

RESERVES AND SURPLUS

	NOTE 2	
	As at March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
Capital Reserve		
Balance as per last financial statements	577.10	815.52
Less: Transfer to General Reserve	4.87	207.00
Less: Transfer to statement of Profit & Loss (Note a)	21.37	31.42
Balance at the end of the year	<u>550.86</u>	<u>577.10</u>
General Reserve		
Balance as per last financial statements	5,116.90	4,909.90
Add: Amount transferred from Capital Reserve	4.87	207.00
Balance at the end of the year	<u>5,121.77</u>	<u>5,116.90</u>
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(9,680.01)	(8,557.34)
Add: Profit / (Loss) for the year	(1,071.17)	(1,122.67)
Balance at the end of the year	<u>(10,751.18)</u>	<u>(9,680.01)</u>
Total	<u>(4,017.63)</u>	<u>(2,925.09)</u>

	As at	
	March 31, 2012 Rs. Lakh	As at March 31, 2011 Rs. Lakh
(a) Transfer from Capital Reserve to Statement of Profit and Loss represents the difference between depreciation charged on "revalued amount" on Assets and depreciation calculated on "historical cost" of assets.	21.37	31.42

	Non-Current portion		Current Maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
LONG TERM BORROWINGS				
Secured:				
Term Loans :				
From Banks	325.24	65.33	157.72	64.12
From Others	-	2.75	3.02	4.46
Unsecured:				
From Others	-	-	5.08	4.19
	<u>325.24</u>	<u>68.08</u>	<u>165.82</u>	<u>72.77</u>
Amount disclosed under the head "Other Current Liabilities" (Note 8)	-	-	165.82	72.77
Total	325.24	68.08	-	-

	As at	
	March 31, 2012	March 31, 2011
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Depreciation	50.02	27.44
Deferred Tax Asset		
Disallowance u/s 43B	(7.23)	(8.21)
Total	42.79	19.23

Note:- Deferred Tax

In terms of the provisions of the Accounting Standard - 22 "Accounting for Taxes on Income" notified by Companies (Accounting Standards) Rules, 2006, there is a net deferred tax asset on account of accumulated business losses and unabsorbed depreciation.

In compliance with provisions of Accounting Standard and based on General Prudence, the Company has not recognized the deferred tax asset while preparing the accounts for the year under review.

	Long Term		Short Term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
PROVISIONS				
Provision for Accrued Gratuity Liabilities	1,011.91	976.38	308.83	412.08
Provision for Accrued Leave Liabilities	218.59	207.86	76.90	86.29
Provision for Income Tax (Net of Advance Tax of Rs. Nil, Previous Year)	-	-	-	833.26
Rs. 4362.21 Lakhs)				
Provision for Wealth tax	-	-	0.68	0.68
Total	1230.50	1184.24	386.41	1332.31

	As at	
	March 31, 2012	March 31, 2011
SHORT TERM BORROWINGS		
Secured:		
Working Capital Loans repayable on demand from Banks	489.73	225.62
Foreign Bill purchased from Others	16.44	75.67
	<u>867.58</u>	<u>740.82</u>
	1,373.75	1,042.11
Unsecured:		
From Others	1,081.19	853.65
	<u>1,081.19</u>	<u>853.65</u>
Total	2,454.94	1,895.76

	As at	
	March 31, 2012	March 31, 2011
TRADE PAYABLES		
Creditors in respect of Goods and Services (Note a)	3330.66	3988.30
Total	3330.66	3988.30

a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Amount due and outstanding to suppliers as at the end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and
- Interest accrued and unpaid at the end of the accounting year

have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

	As at	
	March 31, 2012	March 31, 2011
OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings (Note 3)	165.82	72.77
Interest accrued but not due on borrowings	3.08	3.08
Income received in advance	4.37	5.52
Advances from Customers	45.78	19.23
Statutory dues	1,893.49	1,849.75
Due to Director	7.66	1.83
Security Deposits	246.30	261.41
Payable to employees	1,379.40	1,229.68
Book Overdraft	0.05	20.67
Others	2,826.96	2,145.11
Total	6,572.91	5,609.05

Tangible Assets

NOTE 9

Rs. Lakh

Asset	Gross Block				Depreciation					Net Block		
	As on 01.04.11	Adjust- ment consolidation	Addi- tions	Deduc- tions	As on 31.03.12	As on 01.04.11	Adjust- ment consolidation	for the year	Deduc- tion	As on 31.03.12	As on 31.03.12	As on 31.03.11
Leasehold Land	18.23	-	-	-	18.23	0.17	-	0.33	-	0.50	17.73	18.06
Own Assets												
Freehold Land	2,358.43	-	-	92.08	2,266.35	-	-	-	-	-	2,266.35	2,358.43
Building	1,890.36	-	90.71	-	1,981.07	558.22	-	65.50	-	623.72	1,357.35	1,332.14
Plant and Machinery	5,763.03	-	205.87	0.65	5,968.25	3,176.14	-	218.90	0.08	3,394.96	2,573.29	2,586.89
Furniture and Fixtures	497.71	-	4.96	0.05	502.62	355.42	-	14.91	-	370.33	132.29	142.29
Library	0.10	-	-	-	0.10	0.09	-	-	-	0.09	0.01	0.01
Vehicles	117.41	-	8.21	8.17	117.45	67.04	-	11.39	2.07	76.36	41.09	50.37
Total	10,645.27	-	309.75	100.95	10,854.07	4,157.08	-	311.03	2.15	4,465.96	6,388.11	6,488.19
Previous Year	10,763.48	(572.39)	1,000.27	546.09	10,645.27	4,643.24	(420.22)	308.61	374.55	4,157.08	6,488.19	

INTANGIBLE ASSETS

NOTE 10

Rs. Lakh

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As on 01.04.11	Additions	Disposals	As on 31.03.12	As on 01.04.11	for the year	Deductions	As on 31.03.12	As on 31.03.12	As on 31.03.11
Own Assets										
Goodwill	4,731.57	-	-	4,731.57	-	-	-	-	4,731.57	4,731.57
Brand Value	5.00	-	-	5.00	2.87	0.53	-	3.40	1.60	2.13
Total	4,736.57	-	-	4,736.57	2.87	0.53	-	3.40	4,733.17	4,733.70
Previous Year	4,736.57	-	-	4,736.57	2.16	0.71	-	2.87	4,733.70	

NON CURRENT INVESTMENTS

NOTE 11

	Face Value Per Share (Rs.)	No. Share	Rs. in Lakh	Rs. in Lakh
			of As at March 31, 2012	As at March 31, 2011
I Trade Investments (Unquoted)				
Ordinary shares of each fully paid of ORG Informatics Limited	10	2051275	205.49	205.49
Less: Diminution in Value of Investment			(22.72)	(22.72)
			182.77	182.77
II Investments in Government Securities (Unquoted)				
National Saving Certificate			0.31	0.31
Other Investments (Unquoted)				
Ordinary shares each fully paid of Co-operative Bank of Baroda Ltd.	25	1100	0.28	0.28
Ordinary share fully paid of Baroda Industrial Dev. Corp. Ltd	1000	1	0.01	0.01
Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd.	25	1204	0.30	0.30

"B" class shares of each

fully paid of Teknoserv

(Jersey) Ltd.

1 pound

73498

36.33

36.33

Ordinary shares of

Asece Limited (Rs.445) 1 pound

9

-

-

Ordinary shares of

each fully paid of
Sardar Vallabh Bhai

Sahakari Bank Limited

25

26290

2.83

2.83

Ordinary shares of

each fully paid of
Kalapur Commerical

Co. Op. Bank Limited

25

24000

6.00

-

45.75

39.75

Gold Coins

0.48

0.48

Total

229.31

223.31

a Disclosure as per

AS 13 - Accounting for Investments

Long Term Investments

229.31

223.31

Current Investments

-

-

Total

229.31

223.31

b. 9,41,975 Ordinary Shares of Rs. 10 each fully paid of ORG Informatics Limited have been pledged for financial assistance and 3,00,000 shares of Rs. 10 each fully paid of ORG Informatics Limited are pledged with a bank on behalf of another company. 9,41,975 Ordinary Shares of Rs. 10 each fully paid of ORG Informatics Limited are transferred in the name

of lender till repayment of this dues made by the company.

LOANS AND ADVANCES**NOTE 12**

	Long Term		Short Term	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Capital Advances	18.53	-	-	-
Security Deposits	-	-	-	-
Considered Good	130.42	164.78	1.32	1.15
Considered Doubtful	12.94	6.32	-	-
Less: Provision	12.94	6.32	-	-
Advance tax paid (Net of Provision of Rs. 4326.01 Lakh, Previous Year Rs. Nil)	107.03	-	-	-
To Employees	-	-	103.59	61.21
To Others	-	-	78.45	0.10
Advances recoverable in cash or in kind or for value to be received				
Considered good	5.32	30.82	978.21	1,038.65
Considered doubtful	0.10	0.10	314.26	338.51
Less: Provision	0.10	0.10	306.24	323.26
	-	-	8.02	15.25
Prepaid Expenses	-	-	23.26	5.18
Balances with Government Authorities				
Considered good	-	-	51.95	50.75
Considered doubtful	-	-	0.28	0.28
Less: Provision	-	-	0.10	0.10
	-	-	0.18	0.18
CENVAT/Custom Duty Receivable				
Considered good	-	-	57.69	10.27
Considered doubtful	-	-	0.01	0.98
Less: Provision	-	-	0.01	0.98
	-	-	-	-
Total	261.30	195.60	1,302.67	1,182.74

OTHER ASSETS**NOTE 13**

	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Non Current Bank Balances (Note 16)	632.22	672.56	-	-
Interest Accrued	16.19	15.51	2.94	5.94
Receivable other than Trade	-	-	55.39	37.54
Export Incentive Receivable	-	-	-	6.42
Preliminary Expenses	-	0.01	0.01	0.01
Total	648.41	688.08	58.34	49.91

INVENTORIES**NOTE 14**

	As at March 31, 2012	As at March 31, 2011
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	277.92	237.27
Stores and Spares	19.67	22.86
Work-in-Progress	464.43	279.72
Finished Goods	137.98	156.33
Finished Goods in Transit	-	16.78
Stock in Trade	318.86	301.56
Total	1,218.86	1,014.52

TRADE RECEIVABLES**NOTE 15**

	As at March 31, 2012	As at March 31, 2011
	Rs. Lakh	Rs. Lakh
(Unsecured; considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	189.99	363.24
Considered doubtful	686.23	557.79
Less: Provision for Doubtful Debts	<u>528.59</u>	<u>530.30</u>
	157.64	27.49
Others	1,843.81	2,678.69
Total	2,191.44	3,069.42

CASH AND BANK BALANCES**NOTE 16**

	Non Current		Current	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Cash and Cash Equivalents:				
Cash on Hand	-	-	6.51	6.37
Balances with Banks				
In Current Accounts	-	-	635.96	779.16
In Exchange Earners	-	-	-	-
Foreign Currency A/c	-	-	6.21	2.75
In Deposit Account (with original maturity up to 3 months)	-	-	9.02	5.00
	-	-	657.70	793.28

Other Bank Balances:**In Deposits Accounts**

With original maturity more than 3 months but less than 12 months	6.00	-	206.91	130.85
With original maturity more than 12 months	329.10	358.12	-	-
Held as Margin	-	-	-	-
Money	295.52	312.84	80.69	152.81

(Under lien with bank as Security for Guarantee Facility) Lodged with Sales Tax/ Excise Department	1.60	1.60	0.50	0.50
	<u>632.22</u>	<u>672.56</u>	<u>288.10</u>	<u>284.16</u>
Amount disclosed under the head "Other Non Current Assets" (Note 13)	632.22	672.56	-	-
Total	<u>-</u>	<u>-</u>	<u>945.80</u>	<u>1,077.44</u>

REVENUE FROM OPERATIONS

NOTE 17

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Sale of Products		
Finished Goods and Stock-in-Trade	8,755.41	7,842.56
Less: Excise Duty	<u>238.60</u>	<u>180.15</u>
	8,516.81	7,662.41
Sale of Services	231.16	239.03
Other Operating Revenues		
Export Incentives	17.20	77.14
Others	<u>133.26</u>	<u>-</u>
Total	<u>8,898.43</u>	<u>7,978.58</u>

OTHER INCOME

NOTE 18

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Interest Income	76.47	62.53
Dividend Income on:		
Investments in Subsidiaries	0.09	0.14
Long Term Investments		
Exchange Difference (Net)	9.47	-
Sundry Credit Balances		
Appropriated (Net)	152.82	487.35
Provision no longer required (Net)	111.54	180.02
Scrap Income	4.78	4.69
Miscellaneous Income	46.31	108.09
Recoveries	4.93	12.38
Compensation	-	17.38
Bad Debts recovered	1.15	0.27
Royalty	-	0.73
Total	<u>407.56</u>	<u>873.58</u>

COST OF MATERIALS CONSUMED

NOTE 19

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Stock at the beginning of the year	237.27	276.20
Purchases	<u>880.21</u>	<u>695.83</u>
	1,117.48	972.03
Less: Stock at the end of the year	<u>277.92</u>	<u>237.27</u>
Total	<u>839.56</u>	<u>734.76</u>

**Changes in Inventories of
Finished Goods,**

NOTE 20

**Work-in-progress and
Stock in Trade**

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	137.98	156.33
Stock-in-trade	318.86	301.56
Work-in-Progress	<u>464.43</u>	<u>279.72</u>
	921.27	737.61
Stock at the beginning of the year		
Finished Goods	156.33	40.94
Stock-in-trade	301.56	387.53
Work-in-Progress	<u>279.72</u>	<u>283.02</u>
	737.61	711.49
(Increase)/Decrease in stocks (183.66)	<u>(183.66)</u>	<u>(26.12)</u>

EMPLOYEE BENEFITS EXPENSE

NOTE 21

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Salaries and Wages	2,385.16	2,280.45
Contribution to Provident Fund and Other Funds	172.90	164.94
Staff Welfare Expenses	<u>128.17</u>	<u>120.26</u>
	2,686.23	2,565.65
Directors' Remuneration	<u>38.87</u>	<u>42.14</u>
Total	<u>2,725.10</u>	<u>2,607.79</u>

FINANCE COSTS

NOTE 22

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Interest		
On Term Loans		
On working capital loans	394.35	281.60
Others	21.82	1.76
Interest on shortfall of advance tax	<u>426.17</u>	<u>832.83</u>

Other Borrowing Costs	1.96	14.69
Bank Charges	124.50	99.00
	27.91	43.33
Total	996.71	1,273.21

DEPRECIATION / AMORTIZATION EXPENSE	NOTE 23	
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Depreciation of Tangible Assets	311.03	308.61
Amortization of Intangible Assets	0.53	0.71
Less: Transfer from Capital Reserve (Note no: 2 (a))	21.37	31.42
Total	290.19	277.90

OTHER EXPENSES	NOTE 24	
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Power and fuel	210.82	213.31
Stores Consumed	51.51	29.32
Insurance	11.22	7.72
Processing Charges	170.26	80.15
Rent	76.13	90.74
Rates and taxes	67.41	179.50
Liquidated Damages	22.76	7.99
Repairs:		
To Buildings	12.88	12.20
To Machineries	22.86	39.97
To others	16.15	24.39
Factory Over Head	138.58	180.26
Integration & Installation Expense	24.43	-
Selling Commission	142.70	126.24
Wholesalers' / Distributors Discount	1.40	0.63
Selling Expenses	223.83	196.41
Distribution Expenses	37.66	29.08
Loss on Sales of Assets (net)	2.05	17.81
Research and Development	2.64	0.96
Excise Duty - Others	23.73	27.24
Legal and Professional Fees	151.86	94.14
Conveyance and Travelling Expenses	232.94	209.33
Directors' sitting fees	1.53	1.98
Provision for Doubtful Debts & Advances	2.32	1.80
Bad Debts/Advances	-	41.48
Bad Debts written off	28.78	2.66
Communication Expenses	19.88	18.47
ETP Expenses	5.42	10.05
Hire Charges (Transportation Services)	28.35	28.65
Penalties	10.00	0.30
Product Development Expenses	6.76	5.69
Labour Charges	13.67	4.47

Provision for Diminution in Value of Investment	-	22.72
Payments to the auditor as		
(a) Auditor	9.96	9.54
(b) For tax audit matters	8.37	2.33
(c) For Other Certification work	5.53	6.27
(d) For reimbursement of expenses	2.12	0.59
Exchange Difference (Not)	-	5.39
Consultancy Charges	-	22.39
Royalties Paid	16.02	38.61
Miscellaneous Expenses	421.29	385.72
Preliminary Expenses	0.01	0.01
Total	2,223.83	2,176.51

EXTRAORDINARY ITEM	NOTE 25	
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Profit on Sale of Land	1,118.97	-
Profit on Sale of Building & other Fixed Assets	-	1,761.53
Total	1,118.97	1,761.53

EARNING PER SHARE (EPS)	NOTE 26	
	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. Lakh	Rs. Lakh
Calculation of EPS (Basic & Diluted)		
Profit/ (Loss) available to Equity Shareholder before Extra Ordinary Item	(2,190.14)	(2,884.20)
Profit/ (Loss) available to Equity Shareholder after Extra Ordinary Item	(1,071.17)	(1,122.67)
Weighted average no. of Equity Shares for Basic and Diluted EPS	76,633,296	76,633,296
Nominal value of Equity Shares	10	10
Basic and Diluted Earning per Equity Share before Extra Ordinary Item	(2.86)	(3.76)
Basic and Diluted Earning per Equity Share after Extra Ordinary Item	(1.40)	(1.46)
(A) Reconciliation of the profit/(Loss) for the year, used for calculating Earning per Share		
Profit/ (Loss) for the year before Extra Ordinary Items	(2,190.14)	(2,884.20)
Net Extra Ordinary Income	1,118.97	1,761.53
Profit/ (Loss) available to Equity Shareholder after Extra Ordinary Items	(1,071.17)	(1,122.67)

NOTE 27**Notes to Consolidated Financial Statement:****A. Basis of Consolidation**

1. The consolidated Financial Statements relate to Ambalal Sarabhai Enterprises Limited, its Subsidiaries and Joint Venture Company. The Subsidiaries/ Joint Venture company considered in consolidated financial statements are hereunder:

I. Subsidiary Companies & Country of Incorporation	ownership % as on 31.03.2012
a) Synbiotics Limited, India	100%
b) Haryana Containers Limited, India	100%
c) Sarabhai M Chemicals Ltd (Earlier known as Mautik Exim Limited), India	100%
d) Asence Inc., USA	100%
e) Asence Pharma Pvt. Ltd., India	100%
f) Systronics India Ltd, India	100%
g) Suvik Hitex Pvt. Ltd., India	100%
II. Joint Venture Company & Country of Incorporation	
Vovantis Lab Ltd, India	50%

2. The consolidation is in accordance with the Accounting Standard 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India.

3. Principles

(i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated.

(ii) The difference between cost to the Company of its investment in the subsidiary companies/Joint Venture Company and its share of the equity of the subsidiary companies/Joint Venture Company, at the dates on which the investment in the subsidiary companies are made, is recognized as Goodwill or Capital Reserve as the case may be.

(iii) In case of Foreign Subsidiaries, revenue items are consolidated at the average rate

prevailing during the year. All assets and Liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on translation is charged to Profit and Loss Account

NOTE 28**SIGNIFICANT ACCOUNTING POLICIES:****(A) ACCOUNTING CONVENTION**

The Company follows the accrual method of accounting. The financial statements have been prepared in accordance with the historical cost convention (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts) and accounting principles generally accepted in India.

The Preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

(B) INFLATION

Assets and liabilities are recorded at historical cost to the Company (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts).

(C) REVENUE RECOGNITION

(C.1) Sales are recognized based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Sales are stated inclusive of excise duty and net of returns & Sales Tax / VAT.

(C.2) Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

(D) VALUATION OF INVENTORY

(D.1) The stock of Raw Materials and finished goods have been valued at the lower of cost

and net realizable value. The cost has been measured on weighted average cost basis and includes cost of materials and cost of conversion.

(D.2) All other inventories of stores and consumables are valued at cost. Cost is measured on weighted average cost basis. Excise duty wherever applicable is provided on finished goods lying within the factory.

(E) FIXED ASSETS & DEPRECIATION

(E.1) Fixed assets are stated at their original cost of acquisition/revalued cost wherever applicable less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their location and working condition.

(E.2) Depreciation on Revalued Fixed Assets is calculated on Straight Line Method based on their expected life as determined by the values or lives as determined on Straight Line Method as per Schedule XIV to the Companies Act, 1956 whichever is lower.

(E.3) Depreciation on additions other than vehicles and few other assets is calculated on Straight Line Method as per Schedule XIV to the Companies Act, 1956. Depreciation of vehicles and few other assets is calculated on Written Down Value Method as per Schedule XIV to the Companies Act, 1956.

(E.4) Difference between depreciation calculated on revalued cost and historical cost of assets is withdrawn from capital reserve.

(E.5) Individual assets costing less than Rs. 5,000/- have been fully depreciated in the year of purchases.

(F) IMPAIRMENT OF ASSETS

An Assets is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

(G) INVESTMENTS

Long Term investments are stated as cost/book value. Fall in the value, other than temporary, has been charged to profit & Loss Account.

(H) FOREIGN CURRENCY TRANSACTIONS

(H.1) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.

(H.2) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

(H-3) Non monetary foreign currency items are carried at cost / book value

(H.4) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

(I) EMPLOYEE BENEFITS

(I.1) The Company has Defined Contribution Plans for post employment benefits namely (a) Superannuation Fund which is administered through trustees and (b) Provident Fund which is administered through trust and / or to the Government. The Company's contribution thereto are charged to revenue every year. The Company's contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

(I.2) The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. Gratuity scheme is unfunded.

(I.3) Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

(J) TAXES ON INCOME

(J.1) Tax expense consists of both current as

well as deferred tax liability. Current tax represents amount of income tax payable in respect of taxable income for the year.

(J2) Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.

(J.3) Deferred tax asset is recognized and carried forward to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(K) EARNING PER SHARE

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

No Provision is considered necessary for following contingent liabilities:	NOTE 29	
	Year Ended March 31, 2012 Rs. Lakh	Year Ended March 31, 2011 Rs. Lakh
i Disputed demand in respect of Customs and Excise		
(a) Customs and Excise	66.62	119.69
(b) Sales Tax	90.24	20.28
(c) Income Tax	3,681.16	336.25
ii Claims not acknowledged as debt	39,331.88	39,318.22
iii Claims by Government for payment in to DPEA	68.67	68.67
iv Guarantee given by banks on behalf of the Company	348.99	358.26
v E.S.I.C.	1.56	1.56
vi Guarantee given by company on behalf of other Companies	1,104.69	1.88

NOTE 30

Hon'ble Supreme Court has allowed Company's Civil Appeals against the judgment and order of the Division Bench of Gujarat High Court vide which Division Bench by its order had set aside the order of the Single Judge

sanctioning Scheme of Arrangement relating to Company's erstwhile Swastik Division and Electronics Division While allowing the appeals, Hon'ble Supreme Court has directed that Company shall execute a guarantee favouring the Central Bank of India and Bank of Baroda in respect of their dues in the suit filed by them which is pending before Debts Recovery Tribunal. The Company has accordingly given the guarantee. BIFR passed an order for winding up of Swastik Surfactants Limited (SSL) since the Revival Scheme had failed. However, SSL appealed this order in AAIFR, which has remanded the case to BIFR with appropriate directives.

In all the earlier Revival Schemes, SSL had acknowledged liabilities of banks as well as liabilities of banks as well as liabilities towards ASE. In view of this, ASE had approached BIFR and AAIFR to be impleaded in the matter, which has been allowed by AAIFR. The Company has based on legal advice taken appropriate action at BIFR stage and the matter is being pursued by the company.

With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice from Kotak Mahindra Bank Limited, Mumbai invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda in its capacity as trustee of IARC-BOB-01/07 trust on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the demand made of Rs. 37770.51 lakh and based on legal advice, the Company has taken necessary action required in the matter.

Capital and Other Commitments	NOTE 31	
	Year Ended March 31, 2012 Rs. Lakh	Year Ended March 31, 2011 Rs. Lakh
Contracts on Capital Account remaining to be executed	16.83	60.27
Other Commitments	-	-

Segment Reporting :	NOTE 32	
	Rs. in Lakh	Rs. in Lakh
Particulars	March 31, 2012	March 31, 2011

A. Segment Revenue		
a) Pharmaceuticals	4,344.66	5,787.25
b) Electronics	4,792.37	2,371.48
Total Sales	9,137.03	8,158.73
Les: Inter Segment Revenue		
Net Sales	9,137.03	8,158.73

Segment Results

Segment Results before Interest & Finance Cost

a) Pharmaceuticals	(1,479.23)	(1,454.49)
b) Electronics	389.57	229.69
Total Segment Results	(1,089.66)	(1,224.80)
Less: Interest & Finance Cost	996.71	1,273.21
Profit (Loss) from ordinary Activities	(2,086.37)	(2,498.01)
Extra ordinary Items (Net)	1,118.97	1,761.53
Profit / (Loss) before Tax	(967.40)	(736.48)
Other Items		
Segment Assets		
a) Pharmaceuticals	15,048.36	15,990.41
b) Electronics	2,940.79	2,844.80
c) Unallocable	-	-
Total Assets	17,989.15	18,835.21
Segment Liabilities		
a) Pharmaceuticals	13,444.49	13,210.40
b) Electronics	856.17	867.34
c) Unallocable	-	-
Total Liabilities	14,300.66	14,077.74
Segment Depreciation		
a) Pharmaceuticals	256.95	259.59
b) Electronics	33.24	18.31
c) Unallocable	-	-
Total Depreciation	290.19	277.90
Capital Expenditure		
a) Pharmaceuticals	196.54	82.08
b) Electronics	12.65	22.23
c) Unallocable	-	-
Total Capital Expenditure	209.19	104.31
Non Cash Expenses other than Depreciation		
a) Pharmaceuticals	0.51	64.35
b) Electronics	28.28	4.32
c) Unallocable	-	-
Total Non Cash Expenses other than Depreciation	28.79	68.67

B Secondary Segment (Geographical by customers)

Particulars	Rs. in Lakh	Rs. in Lakh
	March 31, 2012	March 31, 2011
Segment Revenue		
a) In India	8,959.78	8,056.15
b) Outside India	177.25	102.58
	9,137.03	8,158.73
Carrying Cost of Assets by location of assets		
a) In India	17,916.54	18,756.74
b) Outside India	72.61	78.47
Total	17,989.15	18,835.21

Addition to Assets		
a) In India	209.19	104.31
b) Outside India	-	-
Total	209.19	104.31

Notes:

- The company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the Organizational structure and internal reporting system. The Company's operations predominantly relate to manufacturing of Drugs, Formulation, Electronics Instruments and Services.
- Types of Products and Services in each business segment:
Pharmaceuticals : Drugs, Formulations
Electronics : Electronics Instruments and Services
- Inter-segment Revenues are recognised at sales price.

NOTE 33

Related Party Disclosures:

As per the Accounting Standard on "Related Party Disclosures (AS 18)" notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Kartikeya V. Sarabhai	Chairman
Mr. A.H. Parekh	Whole time Director

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

Transaction with Key management Personnel:

Particulars	Key Management Personnel	
	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. Lakh	Rs. Lakh
Remuneration to key management personnel	38.87	42.14
Payable in respect of Current Liabilities	7.66	1.83

NOTE 34

Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to

confirmation/reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

NOTE 35

No Provision is made for doubtful debts Rs. 157.64 Lakh (Rs. 27.49 Lakh) and doubtful advances of Rs. 8.20 Lakh (Rs. 15.43 Lakh)

NOTE 36

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For, Sorab S. Engineer & Co.	Kartikeya V. Sarabhai
Firm Registration No. 110417 W	Chairman
Chartered Accountant	B. V. Suryakumar
CA. Chokshi Shreyas B.	Director
Partner	Ketan Adhvaryu
Membership No. 100892	Company Secretary
Date: 13-08-2012	Date: 13-08-2012
Place: Ahmedabad	Place: Ahmedabad

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

1 Registration Details	
Registration No.	: 3159
State Code	: 05
Balance Sheet Date	: 31.03.2012
2 Capital raised during the year (Amount in Rs. Thousands)	
Public issue	: Nil
Right issue	: Nil
Bonus issue	: Nil
Private placement	: -
3 Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)	
Total liabilities	: 1589105
Total assets	: 1589105
Sources of Funds	
Paid-up Capital	: 766333
Reserves and Surplus	: (261603)
Secured Loans	: 86758
Unsecured Loans	: 82053
Net Current Liabilities	: 512706
Application of Funds	
Net Fixed Assets	: 601323
Investments	: 584924
Accumulated Losses	: 934919
4 Performance of Company (Amount in Rs. Thousands)	
Turnover	: 221494
Total Expenditure	: 287953
Profit/(Loss) Before Tax	: (66459)
Profit/(Loss) After Tax	: (66459)
Earning per share (Rs.)	: (0.87)
Dividend Rates (%)	: Nil
5 Generic names of Principal Products/ Services of the Company (as per monetary terms)	
Item Code No. (ITC Code)	: 29225090
Product Description	: Tramadol Hcl Capsules, Injections, Tablets etc.

Kartikeya V. Sarabhai
 Chairman
 B. V. Suryakumar
 Director
 Ketan Adhvaryu
 Company Secretary
 Date: 13-08-2012
 Place: Ahmedabad

Consolidated Cash Flow Statement

	Year Ended March 31, 2012 Rs. Lakh	Year Ended March 31, 2011 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(967.40)	(736.48)
Adjustments for:		
Depreciation /Amortization	290.19	277.90
Interest Income	(76.47)	(62.53)
Interest Expenses	844.30	1,130.02
Income from Investments	(0.09)	(0.14)
Bad Debts/Advances Written Off	28.78	44.14
Provision for Diminution in value of Investments	-	22.72
Provision for Bad Debts/Advances	2.32	1.80
Sundry Credit Balances Appropriated	(152.82)	-
Foreign Exchange Gain	(9.47)	-
Loss on Sale of Tangible/Intangible assets	2.05	17.81
Preliminary Expense written off	0.01	0.01
Extra Ordinary Income	(1,118.97)	(1,761.53)
	<u>(190.17)</u>	<u>(329.80)</u>
Operating Profit before Working Capital Changes	(1,157.57)	(1,066.28)
Working Capital Changes:		
Changes in Inventories	(204.34)	(61.43)
Changes in current liabilities	309.09	2,032.11
Changes in current assets, loans and advances	(90.02)	(627.00)
Changes in trade receivables	846.88	(918.12)
Changes in Other Bank Balances	36.40	(95.78)
Net Changes in Working Capital	898.01	329.78
Cash Generated from Operations	(259.56)	(736.50)
Direct Taxes paid (Net of Income Tax refund)	(1,020.52)	(314.89)
Net Cash Flow from Operating Activities	(1,280.08)	(1,051.39)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(209.19)	(524.53)
Sale of tangible assets	4.67	153.73
Change in Non Current Investments	(6.00)	(1.89)
Dividend Income	0.09	0.14
Interest Income	78.79	62.53
Net cash flow before extraordinary item	(131.64)	(310.02)
Proceeds from Sale of Investment in Joint Venture (Extra ordinary Items)	1,211.05	1,761.53
Net cash flow from Investing Activities	1,079.41	1,451.51
C Cash Flow from Financing Activities		
Changes in Borrowings	909.39	699.81
Interest Paid	(844.30)	(1,126.94)
Net Cash flow from Financing Activities	65.09	(427.13)
Net Increase/(Decrease) in cash & cash equivalents	(135.58)	(27.01)
Cash & Cash equivalents at the beginning of the period	793.28	820.29
Cash & Cash equivalents at the end of the period	657.70	793.28
Particulars	As at Year Ended March 31, 2012	As at Year Ended March 31, 2011
a Cash and cash equivalents comprise of: (Note 16)		
Cash on Hand	6.51	6.37
Balances with Banks	651.19	786.91
Total	657.70	793.28

As per our report of even date attached
 For Sorab S Engineer & Co.
 Firm Registration No 110417 W
 Chartered Accountants
 CA. Chokshi Shreyas B.
 Partner
 Membership No: 100892
 Date : 13-08-2012
 Place : Ahmedabad

Kartikeya V. Sarabhai
 Chairman
 B. V. Suryakumar
 Director
 Ketan Adhvaryu
 Company Secretary
 Date : 13-08-2012
 Place : Ahmedabad

ase**Ambalal Sarabhai Enterprises Limited**

Regd. Office : Sarabhai Campus, Gorwa Road Vadodara-390 023

PROXY FORM

DP Id*	
Client Id*	

No. of Shares	
Folio No.	

I / We _____

of _____

being a member(s) of the above named Company hereby appoint

_____ of _____ or failing him

_____ of _____ or failing him

_____ of _____

as my / our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 27.09.2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature _____

*Applicable for investors holding shares in electronic form.

Affix 0.15 Paise Revenue Stamp here

Note: This instrument of Proxy shall be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time of holding the meeting.

ase**Ambalal Sarabhai Enterprises Limited**

Regd. Office : Sarabhai Campus, Gorwa Road Vadodara-390 023

ATTENDANCE SLIP**Annual General Meeting**

to be held on

Thursday, 27th September 2012 at 11.00 A.M.

at

Prof. C. C. Mehta Auditorium, General Education Centre,**The Maharaja Sayajirao University of Baroda****Vadodara-390002**

DP Id*	
Client Id*	

No. of Shares	
Folio No.	

Name of Shareholder/Proxy Holder_____
Signature

*Applicable for investors holding shares in electronic form.

Only shareholders or their proxies are allowed to attend meeting. Shareholders are requested to bring their Annual Reports along with them to the Meeting, as extra copies will not be supplied due to high cost of paper and printing.

If undelivered please return to :
Ambalal Sarabhai Enterprises Limited
Share Department,
Sarabhai Campus, Gorwa Road,
Vadodara - 390 023.